

**CAP / MED**

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**To whom it may concern**

Dear Capmed shareholder

In August 2017 Capmed and its main shareholder entered into an acquisition agreement with First Wealth Holdings Ltd whereby the latter would (in a reverse takeover transaction) obtain control of Capmed, with the offer being extended to all Capmed shareholders.

Due to a number of suspensive conditions not being fulfilled, the agreement lapsed.

Earlier in 2019 Cryptique Ltd acquired First Wealth Holdings and revived the original transaction but on revised terms.

Cryptique offered to acquire all the issued shares in Capmed (1 133 610 000) in return for Cryptique shares on the basis of one Cryptique share issued at R1.00 each for every two (2) Capmed shares. This values the Capmed shares at 50 cents each.

The main Capmed shareholders have already accepted the offer which will be formalized and extended to all Capmed shareholders.

The transaction is subject to the listing of the Cryptique shares on a registered securities exchange.

To this end Cryptique is in the process of appointing a listing sponsor, drafting a detailed prospectus to raise capital from the public and arranging the required audits and competent person's reports (CPR's or geological reports) on all the mineral rights held or purchased by the listed Cryptique group.

Funding for the listing has been secured and a first timeline drafted as a road map thereto.

A preliminary business summary for Cryptique is attached.

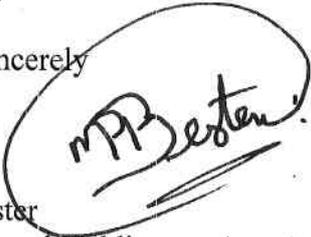
The formal takeover offer for the Capmed shares will be based on the prospectus. Progress in the listing arrangements will be regularly published on Capmed's website, although Cryptique will manage the process.

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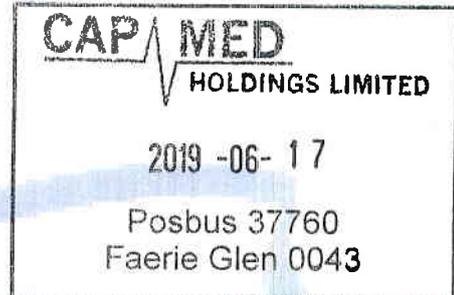
DIRECTORS : M.P. Bester (Managing) H.F.P. de Swart (Non Executive)  
L.P. Willemsse (Executive) A.P. van der Walt Director (Marketing)  
A. Smit (Finance) F Martens (Mining) Y.N.K. Bamuamba (Director)

Although Cryptique will try its best to expedite all the required steps, it has to be noted that it is not a unilateral process and the co-operation, support and goodwill of a number of parties remain necessary.

Yours sincerely



M.P. Bester  
MD Capmed Holdings Ltd



# **CRYPTIQUE LTD**

## **A business summary**

### **A. INTRODUCTION**

Cryptique was created as a public company with the specific purpose of playing a major role in the frontline of the fourth industrial revolution (4IR or Industry 4.0). As such it will be involved in the cutting edge developments in information and communication technology (“ICT”) including the internet of things (IOT) and artificial intelligence (AI). It will also play a role in biotechnology.

But mostly it will make a major contribution by providing a novel private currency framework, a digital currency (DC), as the liquid counter-consideration in all purchases, both online and off-line.

Although Cryptique will generally be a principal and a main player in the various activities (as detailed below), a major part of its philosophy and its business strategy is to act as an online boutique for the products and players of the 4IR.

### **B. FIRST PHASE**

The present (and largely completed) business phase of Cryptique contains (or consists of) four elements:

#### **1. The digital coin system**

Cryptique based its system on that of bitcoin, the advanced blockchain based crypto-currency that caused a paradigm shift in money matters since 2008.

Although a runaway success as a glamorous investment opportunity, the bitcoin never achieved the primary aim of its creation viz to become a complete alternative e-payment system. Apart from technical deficiencies, it was never very useful as a trading currency, had no security backing and was rather cumbersome as a payment unit. Its utility value is therefore minimal, except for speculation purposes.

With the advances in technology Cryptique created a combined private currency framework (or loop) accommodating a number of digital currencies with different characteristics and designed for different applications and markets.

These include:

1.1 The diamond backed starcoin;

1.2 The gold backed mintcoin;

- 1.3 The platinum backed platcoin;
- 1.4 The medicoin as utility coin for the health industry;
- 1.5 The go-coin which is a utility coin for the transport industry;
- 1.6 The postcoin which is a special joint venture coin for the postal authorities;
- 1.7 The addcoin which will be a unique regional coin with a tapering value created as a welfare currency; and, finally
- 1.8 The galaxy which is a super coin with many of bitcoin's glamour qualities and used as a final repository of all surplus funds, profits and accruals.

The legal, micro economic and financial packaging of the currencies have been completed and Cryptique is at an advanced stage in negotiating the final technological development, offtake and maintenance agreements with its main technology partner.

Additional specialist agreements with other similar groups will follow.

The coin framework is still evolving and may be adapted as the technology develops. Test marketing will also confirm the number and names of the various currencies.

## **2. Alignment**

Cryptique's intention is not only to use the currencies for its own account and for its clients' trading (thereby earning fees) but also to enter into major relationships with other parties using new business approaches. These (termed alignment) combine the public or political power of the relevant enterprises, as well as their standing and connections, with the business skills, nous and capital expertise (especially regarding digital currencies of Cryptique) to create new lines of cash flow and sustainable profits.

Cryptique thereby acts as a new-business boutique at an elevated level.

Clients (or joint venture partners) could include SAA, Escom, the SABC, SANRAL, SAPO, the RAF and a number of others.

The principal of alignment can be adapted to allow the co-operative system to utilize private currencies (specifically the addcoin) to resuscitate small businesses in the rural and peri-urban areas.

## **3. Other information and communication technology (ICT) projects/interests**

- 3.1 The most critical investment in this regard is the 10% holding in Megaton International Ltd. It is a technology company based in the Western Cape which has developed the concept of a 3-dimensional virtual office space to replace or augment brick and mortar. This allows any business within a MegatonCities space to subscribe to the free intranet grid created by Megaton, thereby becoming a "virtual landlord".

With access to the massive advertising framework of the company.

Much of the advertising and the resulting trade will be funded by Cryptique's digital currencies.

MegatonCities is a clear advance on Google Maps which allows a person geographical orientation and direction (primarily surface level) whereas Megaton provides a more encompassing, three dimensional experience of virtual or augmented reality.

It creates virtual shopping centres.

A total online market place.

For online shopping, virtual trading. Unlimited.

With access to the enormous advertising framework of Megaton and with Cryptique's digital currencies the trading medium of choice.

There is no doubt that Megaton/MegatonCities will over the next three to five years develop into a major international technology company. A giant enterprise. With Cryptique directly and indirectly an essential part thereof.

### 3.2 Other linked enterprises.

Any major ICT group worldwide has a digitally based business involving gaming (including videogames) streaming (of music, films, video or other entertainment) or online shopping. Although some parts of the market appear saturated, Cryptique takes the view that it can compete in all three industries due to:

- 3.2.1 The access to Megaton's advanced virtual shopping and advertising space;
- 3.2.2 Cryptique's strategy of ( as a business boutique) linking niche markets susceptible to the provision of such services;
- 3.2.3 Cryptique's ability to support all such ventures with its own digital coin systems.

To this end Cryptique has created these separate and independent subsidiaries viz:

- 3.2.4 Up-to-You for online shopping;
- 3.2.5 On Song for online streaming; and
- 3.2.6 Game On for all online gaming projects.

With these ventures integrated into the main advertising business of Megaton and the digital currency framework of Cryptique, the company expects steady growth from all of them over the next few years, the more so if they can be included in the major alignment operations with SOE's and other state institutions.

#### **4. Investments**

With all of Cryptique's own projects primarily venture capital businesses, the company regarded it as prudent simultaneously to invest in associate companies to spread the business risk.

In this way it would also strengthen the group's balance sheet.

To the extent that the investee is involved in projects compatible with and even overlapping that of Cryptique, the various synergies can strongly increase cash flow and the resulting income.

As part of the first phase Cryptique has already acquired the following assets:

- 4.1 1 500 000 000 shares (10%) in Megaton International Ltd;
- 4.2 50 000 000 shares (5%) in Bio One Investments Ltd;
- 4.3 50 000 000 shares (50%) in Afri-Clinics Ltd;
- 4.4 10 000 000 shares (10%) in Afri-Can Guitars Ltd.

#### **C. SECOND PHASE**

##### **1. Expansion of portfolio**

When Cryptique started exploring the possibility of an early listing on the JSE or similar securities exchange, it was advised further to strengthen the balance sheet, especially with interests in businesses with an historical record. This and the size of its portfolio would allow a listing on the main board of the relevant exchange.

To this end Cryptique has acquired, or is negotiating to acquire (before listing) the following additional shares:

- 1.1 1 133 610 000 shares (100%) in Capmed Holdings Ltd;
- 1.2 1 000 shares (100%) in Mabex Consulting Geologists (Pty) Ltd;
- 1.3 55 000 000 shares (40%\*) in First Holdings Ltd;
- 1.4 +55 000 000 shares (100%) in First Wealth Holdings Ltd;
- 1.5 100 000 000 shares (100%) in Stellar Diamonds Ltd;
- 1.6 1 200 000 000 shares (100%) in Equator Investment Holdings Ltd (which in turn holds 50 000 000 shares (20%) in Saxon Diamonds Ltd)

In addition Cryptique considers acquiring the following additional interests:

- 1.7 A further 1 500 000 000 shares (10%) in Megaton International Ltd.
- 1.8 A further 50 000 000 shares (5%) in Bio One Investments Ltd.

All these additional assets will be included in the next draft of the prospectus which will be the founding document for the listing.

\* Note : Subject to final negotiation.

