

CAP MED

HOLDINGS LIMITED

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CRYPTIQUE LTD

SUPPORTING MEMORANDUM

A. INTRODUCTION

Cryptique is a public limited company incorporated in the RSA. It is in the process of having its shares listed on the ZAR X securities exchange.

The latter is a junior primary exchange with its main characteristics its advanced trading platform.

Although ZAR X had a temporary setback when its trading licence was temporarily suspended by the Financial Service Conduct Authority (FSCA), the underlying dispute has apparently been resolved.

Cryptique's listing application is supported by a detailed draft prospectus which has also been lodged for registration with the Company and Intellectual Property Commission (CIPC). Thereafter the document may be used to support a public issue of shares either on ZAR X or independently.

The prospectus provides an in depth overview of Cryptique's present business. Since the company is still in the process of expanding and of the acquisition of additional assets, the following paragraphs are necessary to see the total picture.

B. BUSINESS DIVISIONS

Although the company has acquired a range of assets, these are presently all accommodated within the framework of Cryptique as a corporate entity, at least until listing.

This is to simplify the required preceding audit.

It is expected that many of these assets will be transferred to subsidiaries and/or joint venture projects as the listing strategy is implemented.

The medium term vision for Cryptique is for a four pillar based corporate structure. These will consist of:

1. The technology and digital currency division.

**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)
Dr P.J. Neethling (Executive) Dr Y.N.K. Bamuamba (Executive)**

The 20% holding in Megaton Holdings Ltd will be a key asset. But only in a passive sense. Cryptique holds it as an investment. It is not involved in its management.

It does have a service relationship with Megaton's subsidiary Megaton Development Ltd ("Devco")

The software agreement with Devco underpins Cryptique's digital currency (DC) system.

Cryptique will also be a supporter and partner of related technology. Any development in the internet of things (IOA) and artificial intelligence (AI) will be in its focus.

One specific aspect is its involvement in the revival of the Techno Park suburb in Stellenbosch and the consolidation of all players in the electronic industry in the area.

2. The health and wellness division.

The technology developed and acquired (as in the previous paragraph) is suitable to support the health industry in general.

Both hardware and software programmes are advanced and suitable for purpose.

In addition Cryptique has, via its various licensing and joint venture (JV) agreements, access to a range of products that will add value and comfort to members of the general public.

These are all addressed in the prospectus, with the JV with Finishing Touch Trading being the main element.

The division will be extended by the proposed acquisition of Capmed Holdings Ltd at listing.

Although the prospectus includes a note on Capmed, further particulars, specifically on the capitation based medical aid system, are addressed fully in the Prospectus.

The wellness division (especially in Africa) will be developed in tandem with the digital currency programme.

3. The diamond division.

In inclusion of a major diamond department is partly fortuitous, partly by design.

Cryptique obtains access to the PIC diamond concessions in Kasai Oriental in the DRC by the takeover of Capmed.

The value is confirmed by the review of geologist Francois Martens.

In addition Cryptique holds 50 000 000 shares in Saxon Diamonds (Pty) Ltd which in turn holds a major interest in Saxon Heavy Minerals (Pty) Ltd .

A sub-memorandum on the latter, together with a preliminary valuation has been completed.

The diamond support base is important to give effect to Cryptique's main DC viz the STAR. This is a diamond supported virtual coin. Full particulars are provided in the prospectus

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To increase access to sources of rough diamonds, Cryptique is in negotiations to acquire four more major projects. These are:

- 3.1 West Coast Resources Ltd .
- 3.2 An area of $\pm 270 \text{ km}^2$ in Northern Angola .
- 3.3 Additional concessions along the Sankuru river in Kasai Oriental (DRC) .
- 3.4 Four similar DC concessions (the “Sacor” rights) on the Luembe river on the border with Angola.

All the above will in due course be held in Stellar Diamonds Ltd. Cryptique’s deliberate strategy is to expand these to create a major independent diamond group for Africa.

Although the focus of Stellar Diamonds will remain on diamonds, it will, via its close associate Equator Mineral Holdings Ltd, also hold interests in other mineral projects.

Negotiations are advancing to obtain a share in:

- 3.5 Bengwenyama, a platinum project in Mpumalanga .
- 3.6 A major iron ore deposit in Uige province Angola .
- 3.7 Concessions for heavy sands/rare earths at Luputa in DRC.

4. Non-mineral resources.

The technology developed to support the 4IR have applications in various sectors, but its influence on the “green” industry is probably the most marked.

Cryptique in any event operates in subsidiaries where climate support is compulsory.

Cryptique is therefore involved in a range of projects in this regard. The projects have a common denominator. All of them are in a position to earn international carbon credits.

Carbon credits are a unique type of fungible token (FT) which is roughly of the same class as Cryptique’s digital currencies.

To support this development, Cryptique has already acquired:

- 4.1 A 20% equity interest in EnviroLiq Ltd. The company distributes an international class fuel enhancer.
- 4.2 A 50% holding in Kler Water Ltd.
- 4.3 A 5% equity holding in Bio One International Ltd.

Since Cryptique acts as corporate advisor to the latter, it will become a substantial participant in all the specific agricultural ventures that Bio One intends starting in selected African countries.

With the critical role that carbon credits will play in future primary industries, Cryptique regards involvement in this industry as a priority.

C. DIRECTORS AND MANAGEMENT

Cryptique's present directors used their experience over decades to collect a portfolio of viable projects that could be integrated and add value to the 4IR.

The listing on ZAR X will consolidate the various business.

That is the main target of the directors who are all near or past (standard) retirement age, They will continue as overseers but in a more passive and non-executive capacity, while passing on as much as possible of their accumulated nous and experience.

They have in any event ensured that a younger tier of directors and management takes change of the various subsidiaries/projects/ventures as soon as possible after listing.

Acquired businesses generally come with own management in place.

D. FINANCE

The prospectus provides for a public issue of shares at listing of up to R200 000 000. Even if only partly successful, the equity issued should properly capitalize the company and allow for a strong balance sheet.

To the extent that the various projects (especially in the primary industries) require additional loan capital, a strategy will be developed. Specific business plans for each such project will have to be prepared according to international best practice.

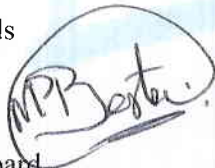
A draft template is discussed with international bankers.

Only the period up to listing presents a problem.

Not only does the listing costs have to be covered, but development and supporting programs have to be continued (and funded).

This is the purpose of the present interim application.

Regards



The Board
Capmed Holdings Ltd