

MEMORANDUM OF AGREEMENT

BETWEEN

V.H KREFT

herein represented by VOLKER HARTMUT KREFT (ID: 79092100153) duly authorized by resolution dated _____

(hereinafter referred to as the "Owner")

AND

DULUTH FARMING CC

herein represented by _____ Henner Wilckens

duly authorized by resolution dated _____

(here in after referred to as "Duluth")

WHEREAS the owner is the registered owner of Farm Omuronga 111, Otjzondjupa District (the "Farm").

AND WHEREAS Duluth is a close corporation which is desirous of managing the charcoal operations on the said farm;

NOW THEREFORE the parties agree as follows:

1. Definitions and Interpretation

Definitions

1.1 In this Agreement the following words and expressions shall have the following meanings:

1.1.1 "Agreement" means this document, and includes the Schedules;

1.1.2 "Production Area" means the area of land which has been agreed upon between the parties, being Farm Omuronga No. 111, Otjozondjupa.

1.1.3 "Duluth" means the Close Corporation which will manage the charcoal operation

1.1.4 "Compensation", for the purposes of this Agreement, principally means compensation payable by the Claim Holder, and the expression "compensate" shall have a corresponding meaning;

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- 1.1.5 **"Equipment"** means any machinery, equipment or plant used by the Claim Holder for the purposes of the charcoal mining;
- 1.1.6 **"Farm"** means Farm Omuronga No. 111, Otjozondjupa, duly registered with the Ministry of Agriculture, Water and Forestry and FSC certified;
- 1.1.7 **"Parties"** means both parties to this Agreement, and "Party" means any one of them;
- 1.1.8 **"Signature Date"** means the date of signature of the last of the Parties hereto.

2. Commencement and Duration

- 2.1 This Agreement shall commence on the date of signature hereof (the **"Commencement Date"**) and, unless terminated earlier in terms of the Agreement, shall continue until
- 2.2 Upon termination of this Agreement for whatever reason, the Duluth's rights set out under this Agreement shall lapse, and the Duluth undertakes to vacate the Production Area and the Farm together with its Operational Staff and Equipment within 30 (thirty) days after Termination Date.

3. Authorization to Conduct Charcoal Production / Operations

- 3.1 The Owner hereby authorizes the Duluth, for the duration of this Agreement, to manage and exercise its rights within the Production Area. Without limiting the generality of the foregoing, the Owner hereby specifically authorizes the Duluth to:
- 3.1.1 Enter into and access the Production Area for the purposes of conducting thereon the Charcoal Production / Operations;
- 3.1.2 Bring and use its Equipment into the Production Area; and
- 3.1.3 Utilize the water on the Farm for the duration of this Agreement.
- 3.2 The Duluth's rights under clause 3.1 shall extend to the Duluth's duly appointed and authorized contractor, contractor's employees, officers, agents, contractors or sub – contractors.
- 3.3 It is recorded that the contractor will be liable for his/her own operation staff and in exercising its rights as set out above are subject the provisions of the Labour Act, 2007, and in general the provisions of the Namibian laws relating hereto.

4. Obligations and responsibilities of the Parties:

4.1 Duluth shall:

- 4.1.1 Ensure that the contractor conducts the charcoal production / operation in accordance with the FSC standards;
- 4.1.2 Supply the contractor with the necessary bags, houses, kilns, tractor and trailer;
- 4.1.3 Organize the logistics to transport the charcoal from the Farm to the Namibian Retort Charcoal ("NRC") factory. It is recorded that the charcoal will solely be delivered to NRC;
- 4.1.4 ensure that all access gates are properly closed and where applicable, also locked;

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4.1.5 take all reasonable caution and steps not to unnecessarily disturb wildlife, game or livestock.

4.2 The Owner shall:

4.2.1 ensure access gates are not locked;

4.2.2 Render an invoice to Duluth as soon as the official report is received from NRC reflecting the weight of the charcoal delivered;

4.2.3 ensure that the Farm is registered with the Ministry of Agriculture, Water & Forestry;

4.2.4 ensure that the Farm is FSC certified.

5. Compensation

5.1 The Duluth undertakes to pay the Owner an amount of N\$200-00 (Two Hundred Namibian Dollars) per ton excluding VAT.

5.2 This aforementioned compensation shall be paid into the following bank account:

ACCOUNT HOLDER:	V.H Kreft
ACCOUNT NUMBER:	8002132879
BANK:	Bank Windhoek
BRANCH:	481573 Otjiwarongo

6. Breach

6.1 If any of the Parties (hereinafter referred to as the "Defaulting Party") should commit a breach of this Agreement, the affected Party (the "Affected Party") may give the Defaulting Party written notice to remedy such breach. In the event of the Defaulting Party failing to remedy its breach within 14 (fourteen) days following such written notice, the Affected Party may, at its option, cancel this Agreement, such cancellation to be without any prejudice to the rights of the Affected Party to claim damages as allowed by law.

7. General

Jurisdiction

7.1 The parties hereto consent to the jurisdiction of the Magistrates Court. This clause will be reckoned as a consent in terms of Section 45 of the Magistrate Court Act 1944 (as amended).
Severability

7.2 In the event that any of the terms of this Agreement are found to be invalid, unlawful or unenforceable, such terms shall be severable from the remaining terms, which will continue to be valid and enforceable.

No Variation

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7.3 No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties.

Costs

7.4 In the event of legal proceedings arising from the breach of this Agreement by any of the Parties, each Party shall be responsible for their own legal costs on a scale as between attorney and own client.

Correspondences and Notices

7.5 All communications and notices by Duluth to the Owner shall be in writing and addressed to:

Physical Address: PO Box 24, Kalkfeld, Namibia

E-mail at: vhkreft@gmail.com

All communications and notices by the Owner to the Duluth shall be in writing and addressed to:

Physical Address: P.O. Box: 492 OTJIWARONGO

E-mail at: okaturua@afol.com.na

The parties chooses their respective physical addresses above as its *domicilium citandi et executandi* for all purposes under this Agreement

Signed at Farm Omuronga on this 12 day of April 2022.

As witnesses:

1.

V. H KREFT
V. H KREFT

2.

Signed at Farm Ongangasemba on this 21 day of April 2022.

As witnesses:

1.

H. WILCKENS
H. WILCKENS

2.

Farm: Omuronga No. 1111

		Overall Camp Biomass	Size of Camp (ha)	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Subtotal Biomass kg DM per ha	Sample size (2 or 3 or 4)	Average Biomass kg DM per ha	Total Biomass kg DM for Camp	kg to tonnes conversion	Total Biomass tonnes DM for Camp
				Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Subtotal Biomass kg DM per ha	Sample size (2 or 3 or 4)	Average Biomass kg DM per ha	Total Biomass kg DM for Camp	kg to tonnes conversion	Total Biomass tonnes DM for Camp
D1	Overall Camp Biomass	TE	178	52624	39779	0	0	0	0	0	92403.00	2	46201.50	8223867.00	1000	8223.87
				3253	4293	0	0	0	0	0	7546.00	2	3773.00			
	Available Sustainable Biomass for Harvesting	TE	178	45345	35609	0	0	0	0	0	80954.00	2	40477.00	7204906.00	1000	7204.91
				2803	3843	0	0	0	0	0	6646.00	2	3323.00			
J1	Overall Camp Biomass	TE	235	15403	14157	27813	0	0	0	0	57373.00	3	19124.33	4494218.33	1000	4494.22
				2960	4016	5573	0	0	0	0	12549.00	3	4183.00			
	Available Sustainable Biomass for Harvesting	TE	235	13062	12570	25568	0	0	0	0	51200.00	3	17066.67	4010666.67	1000	4010.67
				2510	3566	5123	0	0	0	0	11199.00	3	3733.00			
Q	Overall Camp Biomass	TE	121	42260	20634	0	0	0	0	0	62894.00	2	31447.00	3805087.00	1000	3805.09
				4341	3248	0	0	0	0	0	7589.00	2	3794.50			
	Available Sustainable Biomass for Harvesting	TE	121	37880	17775	0	0	0	0	0	55655.00	2	27827.50	3367127.50	1000	3367.13
				3891	2798	0	0	0	0	0	6689.00	2	3344.50			



R	Overall Camp Biomass	Size of Camp (ha)	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Subtotal Biomass kg DM per ha	Sample size (2 or 3 or 4)	Average Biomass kg DM per ha	Total Biomass kg DM for Camp	kg to tonnes conversion	Total Biomass tonnes DM for Camp
		TE	23817	8166	9333	0	0	0	0	41316.00	3	13772.00	2175976.00	1000	2175.98
			4965	2309	2736	0	0	0		10010.00	3	3336.67			
	Available Sustainable Biomass for Harvesting	Size of Camp	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Subtotal Biomass kg DM per ha	Sample size (2 or 3 or 4)	Average Biomass kg DM per ha	Total Biomass kg DM for Camp	kg to tonnes conversion	Total Biomass tonnes DM for Camp
		TE	21658	6575	7798	0	0	0	0	36031.00	3	12010.33	1897632.67	1000	1897.63
			4515	1859	2286	0	0	0	0	8660.00	3	2886.67			

Omuronga No 111 Camp D1 Sample 1

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	S. mellifera			1.80	1.60
2	V. reficiencia			5.50	6.00
3	S. mellifera			3.90	5.00
4	V. reficiencia			0.40	1.60
5	V. reficiencia			1.00	0.90
6	V. reficiencia			6.00	6.60
7	S. mellifera			2.00	2.10
8	S. mellifera			1.90	1.70
9	S. mellifera			3.50	1.60
10	S. mellifera			3.70	3.40
11	S. mellifera			4.50	3.30
12	S. mellifera			4.70	2.90
13	Z. mucronata			1.20	0.50
14	V. reficiencia			6.00	5.20
15	Albizia anthelmintica			1.40	1.00
16	V. reficiencia			1.00	0.50
17	D. cinerea			1.50	0.70
18	Grewia spp			1.00	0.20
19	Grewia spp			1.00	0.20
20	V. reficiencia			6.40	8.30
21	S. mellifera			0.80	0.60
22	S. mellifera			1.80	0.60
23					

Omuronga No 111 Camp D1 Sample 2

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	S. mellifera			5.00	4.10
2	S. mellifera			5.00	3.00
3	S. mellifera			5.00	3.20
4	S. mellifera			4.40	4.40
5	V. reficiencia			1.30	0.90
6	S. mellifera			4.40	3.40
7	S. mellifera			3.00	3.00
8	S. mellifera			4.60	5.50
9	S. mellifera			1.80	3.60
10	V. reficiencia			3.60	2.90
11	S. mellifera			3.60	3.30
12	S. mellifera			2.60	2.60
13	S. mellifera			1.20	0.80
14	S. mellifera			4.20	5.20
15	S. mellifera			2.80	3.00
16	S. mellifera			3.70	2.30
17	S. mellifera			4.40	0.30
18	S. mellifera			4.30	3.10
19	S. mellifera			5.20	2.70
20	S. mellifera			5.20	2.80
21	S. mellifera			5.20	1.70
22					

Omuronga No 111 Camp J1 Sample 1

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	S. mellifera			3.70	2.60
2	C. alexandrii			1.10	0.80
3	D. cinerea			0.90	0.80
4	Grewia spp			1.80	0.90
5	S. mellifera			1.10	1.90
6	Grewia spp			1.60	1.00
7	D. cinerea			1.40	0.50
8	D. cinerea			1.40	0.50
9	Grewia spp			1.00	1.70
10	Grewia spp			1.30	0.50
11	S. mellifera			3.50	4.00
12	C. alexandrii			2.00	2.00
13	Grewia spp			1.00	1.50
14	C. alexandrii			1.90	1.60
15	Grewia spp			1.10	1.80
16	D. cinerea			2.20	2.40
17	S. mellifera			3.70	3.90
18	S. mellifera			3.10	2.90
19	S. mellifera			3.50	3.00
20	Grewia spp			1.10	1.00
21	S.erabescens			4.60	4.60
22	S.erabescens			4.00	4.50
23	D. cinerea			2.50	2.30
24	S. mellifera			2.40	3.50
25	S. mellifera			3.60	3.80
26					

Omuronga No 111 Camp J1 Sample 2

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	D. cinerea			2.40	2.30
2	S.erabescens			2.50	2.80
3	D. cinerea			0.40	0.50
4	D. cinerea			2.60	3.20
5	S. mellifera			2.80	2.60
6	V. reficiencia			2.80	1.30
7	V. reficiencia			3.00	4.00
8	S. mellifera			2.70	2.50
9	V. reficiencia			2.10	3.00
10	S. mellifera			2.70	2.70
11	V. reficiencia			3.30	3.40
12	V. reficiencia			2.80	3.70
13	V. reficiencia			2.00	1.80
14	V. reficiencia			2.70	2.60
15	Grewia spp			1.30	1.30
16	V. reficiencia			7.80	1.90
17	V. reficiencia			2.90	3.70
18	V. reficiencia			3.00	4.00
19	V. reficiencia			2.30	2.50
20	V. reficiencia			3.00	3.00
21	Grewia spp			0.80	0.80
22	C. alexandrii			1.90	1.60
23	C. alexandrii			1.00	0.70
24	C. alexandrii			1.10	0.30
25	C. alexandrii			1.10	0.30
26	C. alexandrii			1.90	1.90
27	V. reficiencia			1.50	1.00
28	V. reficiencia			3.20	4.70
29	S.erabescens			3.20	5.50
30	Grewia spp			0.80	0.30
31	Grewia spp			0.80	0.30
32	V. reficiencia			2.90	3.10
33					

Omuronga No 111 Camp J1 Sample 3

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	V. reficiencia			5.50	2.50
2	V. reficiencia			7.80	3.90
3	Albizia anthelmintica			4.20	2.20
4	Albizia anthelmintica			5.00	4.00
5	S. mellifera			1.80	1.70
6	Grewia spp			1.60	0.50
7	Grewia spp			1.40	0.40
8	Grewia spp			1.50	0.60
9	V. reficiencia			2.20	1.50
10	Albizia anthelmintica			2.50	1.20
11	V. reficiencia			1.90	1.30
12	Albizia anthelmintica			1.30	0.80
13	B. foetida			0.70	0.60
14	V. reficiencia			3.90	4.70
15	Albizia anthelmintica			5.30	2.80
16	V. reficiencia			1.20	0.20
17	V. reficiencia			3.50	2.70
18	V. reficiencia			3.50	1.90
19	V. reficiencia			2.80	1.80
20	V. reficiencia			5.20	6.00
21	Albizia anthelmintica			1.40	0.80
22	Albizia anthelmintica			2.90	2.00
23	V. reficiencia			4.30	3.50
24	D. cinerea			2.20	1.40
25	Albizia anthelmintica			1.30	0.30
26	S. mellifera			3.10	3.70
27	S. mellifera			2.90	3.50
28	Albizia anthelmintica			1.00	0.50
29	Albizia anthelmintica			1.00	0.50
30	Z. mucronata			1.80	7.80
31	S. mellifera			1.60	0.60
32	V. reficiencia			1.70	1.50
33	Albizia anthelmintica			1.00	0.60
34	V. reficiencia			1.30	1.00
35	D. cinerea			2.90	3.20
36	V. reficiencia			1.70	1.10
37	B. foetida			0.90	0.80
38	B. foetida			4.50	3.80
39	Albizia anthelmintica			1.80	1.80
40	S. mellifera			1.20	1.20
41	S. mellifera			0.60	0.50
42	Albizia anthelmintica			0.60	0.60
43					

Omuronga No 111 Camp Q Sample 1

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	V. reficiencia			5.00	4.60
2	V. reficiencia			4.90	3.90
3	V. reficiencia			5.70	4.70
4	V. reficiencia			5.20	3.90
5	V. reficiencia			5.50	3.90
6	V. reficiencia			5.70	3.30
7	V. reficiencia			5.50	4.20
8	V. reficiencia			5.30	5.50
9	V. reficiencia			5.00	2.00
10	V. reficiencia			5.30	2.80
11	B. foetida			0.70	0.20
12	B. foetida			0.70	0.20
13	V. reficiencia			6.00	2.40
14	V. reficiencia			6.50	5.50
15	V. reficiencia			2.40	4.80
16	V. reficiencia			2.60	2.50
17	V. reficiencia			1.70	1.20
18	V. reficiencia			3.60	2.90
19	D. cinerea			0.90	0.60
20	D. cinerea			1.20	0.60
21	D. cinerea			1.20	0.60
22	D. cinerea			0.80	0.60
23					

Omuronga No 111 Camp Q Sample 2

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	S. mellifera			3.30	3.30
2	V. reficiencia			4.20	4.00
3	S. mellifera			4.20	3.40
4	V. reficiencia			4.40	2.30
5	V. reficiencia			3.30	1.00
6	V. reficiencia			4.50	2.80
7	V. reficiencia			3.60	2.60
8	V. reficiencia			4.90	3.30
9	V. reficiencia			4.00	3.90
10	V. reficiencia			3.00	2.70
11	V. reficiencia			3.20	1.60
12	V. reficiencia			4.50	4.00
13	S. mellifera			3.70	4.10
14	S. mellifera			1.50	1.50
15	S. mellifera			0.70	0.30
16	V. reficiencia			3.50	2.70
17	S. mellifera			4.40	4.40
18					

Omuronga No 111 Camp R Sample 1

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	S. mellifera			4.00	2.50
2	S. mellifera			4.00	2.30
3	S. mellifera			4.30	2.00
4	S. mellifera			4.10	2.70
5	S. mellifera			3.10	1.30
6	S. mellifera			3.80	2.90
7	S. mellifera			4.10	2.60
8	S. mellifera			2.10	0.60
9	S. mellifera			4.10	1.10
10	S. mellifera			4.30	2.80
11	V. reficiencia			4.00	3.00
12	S. mellifera			4.00	4.10
13	Grewia spp			1.00	0.20
14	Grewia spp			1.80	0.20
15	Grewia spp			1.50	0.20
16	V. reficiencia			1.50	0.20
17	Grewia spp			1.00	0.20
18	Mundulea sericea			2.20	0.80
19	S. mellifera			3.80	3.70
20	S. mellifera			3.80	4.50
21	D. cinerea			2.50	1.60
22	Grewia spp			1.50	0.20
23	S. mellifera			3.30	3.60
24	S. mellifera			3.40	2.50
25	S. mellifera			3.40	3.60
26	S. mellifera			1.10	0.80
27	V. reficiencia			5.20	4.70
28	V. reficiencia			4.00	2.60
29	V.hebclada			2.30	1.80
30	V.hebclada			1.10	1.30
31	Grewia spp			0.60	0.20
32	Grewia spp			0.60	0.20
33	Grewia spp			1.60	0.20
34					

Omuronga No 111 Camp R Sample 2

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	S.erabescens			3.90	5.40
2	S.erabescens			3.20	3.80
3	Grewia spp			1.10	0.20
4	S.erabescens			2.50	2.00
5	S.erabescens			2.60	1.90
6	S.erabescens			2.90	1.50
7	Grewia spp			1.50	0.20
8	Grewia spp			1.20	0.20
9	S.erabescens			2.60	2.00
10	S.erabescens			4.10	3.60
11	S.erabescens			2.90	2.60
12	S.erabescens			2.70	2.40
13	S.erabescens			3.40	2.30
14	D. cinerea			1.80	0.70
15	Grewia spp			1.50	1.20
16	Grewia spp			0.90	1.50
17	D. cinerea			1.30	1.20
18	D. cinerea			2.40	1.30
19	D. cinerea			0.80	0.20
20					

Omuronga No 111 Camp R Sample 3

Enter Data Here

Data input				TH & CD	
No.	Species Name			TH (m)	CD (m)
1	S.erabescens			2.60	5.00
2	V. reficiencia			3.70	3.40
3	V. reficiencia			4.20	4.50
4	S.erabescens			2.60	3.20
5	V. reficiencia			2.90	3.60
6	V. reficiencia			2.90	2.90
7	D. cinerea			1.30	0.50
8	V. reficiencia			2.40	2.90
9	V. reficiencia			4.20	1.90
10	V. reficiencia			2.70	3.00
11	S.erabescens			2.80	3.30
12	C. appiculatum			1.70	0.20
13	C. appiculatum			2.40	1.60
14	Grewia spp			0.90	1.00
15	Grewia spp			0.70	1.00
16	Grewia spp			1.80	0.60
17	V. reficiencia			1.60	2.70
18	Commiphora spp			1.00	0.60
19	S.erabescens			2.50	3.00
20	D. cinerea			2.60	2.70
21	Grewia spp			1.50	0.50
22	V. reficiencia			2.30	2.00
23					