

**FORM 62-103F1**  
**EARLY WARNING REPORT**

**Item 1 Security and Reporting Issuer**

**1.1** *State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

The report relates to common shares (“**Common Shares**”) in the capital of Fura Gems Inc. (the “**Issuer**”).

The Issuer’s head office is located at Suite 800 - 65 Queen Street, Toronto, Ontario, M5H 2M5.

**1.2** *State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.*

This report is filed in respect of Common Shares purchased by the Acquiror in connection with the closing of the first tranche (the “**First Tranche Placement**”) of a non-brokered private placement financing of Common Shares of the Issuer, which is to be completed in one or more additional tranches for total gross proceeds of C\$33,877,500 (the “**Private Placement Transaction**”).

**Item 2 Identity of the Acquiror**

**2.1** *State the name and address of the acquiror.*

Lord of Seven Hills Holdings FZE (the “**Acquiror**”)  
Office No. 2808 Indigo Icon Tower, Cluster F, Jumeirah Lakes Towers, Dubai, UAE

**2.2** *State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.*

On October 10, 2019, in connection with the closing of the First Tranche Placement of the Private Placement Transaction, the Acquiror purchased 94,904,408 Common Shares. Each Common Share was issued at a price of C\$0.25 per Common Share.

Pursuant to a subscription agreement between the Issuer and the Acquiror, the Acquiror is expected to acquire 28,755,592 additional Common Shares in one or more additional tranches pursuant to the Private Placement Transaction.

**2.3** *State the names of any joint actors.*

Gagan Gupta, the controller of the Acquiror (the “**Acquiror Controller**”), owns directly 4,911,000 Common Shares.

**Item 3 Interest in Securities of the Reporting Issuer**

**3.1** *State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.*

The Acquiror purchased 94,904,408 Common Shares as part of the First Tranche Placement, representing approximately 39.2% of the issued and outstanding Common Shares immediately following the closing of the First Tranche Placement and, pursuant to a subscription agreement between the Issuer and the Acquiror,

the Acquiror is expected to acquire 28,755,592 additional Common Shares in one or more additional tranches pursuant to the Private Placement Transaction and, as a result, will hold a total of 130,204,126 Common Shares, representing approximately 47.9% of the issued and outstanding Common Shares immediately following such issuance.

Prior to the First Tranche Placement, the Acquiror owned and controlled both directly and indirectly a total of 6,544,126 Common Shares, representing approximately 4.8% of the issued and outstanding Common Shares at such time. In addition, Acquiror Controller holds 4,911,000 Common Shares directly representing an additional 2.0% of the issued and outstanding Common Shares as of the date hereof.

**3.2 *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.***

See section 2.2 above.

**3.3 *If the transaction involved a securities lending arrangement, state that fact.***

Not applicable.

**3.4 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.***

Prior to the First Tranche Placement, the Acquiror owned and controlled both directly and indirectly a total of 6,544,126 Common Shares, representing approximately 4.8% of the issued and outstanding Common Shares at such time. In addition, the Acquiror Controller holds 4,911,000 Common Shares directly representing an additional 2.0% of the issued and outstanding Common Shares as of the date hereof.

Following the closing of the First Tranche Placement, the Acquiror holds both directly and indirectly, a total of 106,359,534 Common Shares, representing approximately 44.0% of the issued and outstanding Common Shares immediately following the closing of the First Tranche Placement and the Acquiror Controller continues to hold 4,911,000 Common Shares directly representing an additional 2.0% of the issued and outstanding Common Shares as of the date hereof.

Pursuant to a subscription agreement between the Issuer and the Acquiror, the Acquiror is expected to acquire 28,755,592 additional Common Shares in one or more additional tranches pursuant to the Private Placement Transaction and, as a result, the Acquiror would hold a total of 130,204,126 Common Shares, representing approximately 47.9% of the issued and outstanding Common Shares immediately following such issuance, which, together with the 4,911,000 Common Shares owned directly by the Acquiror Controller, representing an additional 2.0% of the issued and outstanding Common Shares (as of the date hereof), would represent approximately 49.7% of the outstanding Common Shares immediately following such issuance.

**3.5 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which***

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,

The Acquiror and the Acquiror Controller own 106,359,534 Common Shares, representing approximately 44.0% of the issued and outstanding Common Shares immediately following the closing of the First Tranche Placement.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.6** *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

- 3.7** *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8** *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **Item 4 Consideration Paid**

- 4.1** *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

The Acquiror purchased 94,904,408 Common Shares at a price of C\$0.25 per Common Share for aggregate consideration of C\$23,726,102. Pursuant to a subscription agreement between the Issuer and the Acquiror, the Acquiror is expected to acquire 28,755,592 additional Common Shares in one or more additional tranches pursuant to the Private Placement Transaction at the same price per Common Share.

- 4.2** *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See Item 4.1 above.

**4.3** *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

**Item 5 Purpose of the Transaction**

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Acquiror and its joint actors acquired the Common Shares for investment purposes but believe that the industry in which the Issuer operates is highly fragmented and considers the consolidation of the sector to be desirable. As such, the Acquiror and its joint actors will monitor this sector and this investment and may, from time to time, increase their direct or indirect ownership, control or direction of Common Shares or consider other alternative transactions involving the Issuer to achieve that result.

**Item 6 Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting

power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Pursuant to a subscription agreement between the Issuer and the Acquiror, the Acquiror will acquire 28,755,592 additional Common Shares pursuant to the Private Placement Transaction in one or more additional tranches.

#### **Item 7 Change in material fact**

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

#### **Item 8 Exemption**

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

#### **Item 9 Certification**

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

#### **Certificate**

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date

November 1, 2019

Signature

"Amit Mahendra Ashar"

Name/Title: Mr. Amit Mahendra Ashar/ Manager