

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM is made this 15th Day of October, 2017

BY AND BETWEEN

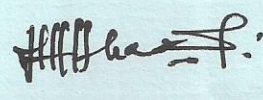

M/S Yasini Mussa Salumu in Partnership with Flora Ladislaus Sulus (a naturally person) of P.O.BOX 40 Tunduru,Ruvuma. [Hereinafter called the "LICENSEE" which expression shall where the context so admits include its successors, and assigns].

AND

Ruby International Co. Ltd , a Limited liability company established under the Companies Act, herein Tanzania, of P.O. BOX 149, Mahenge ,Morogoro, Tanzania Herein represented by Salim A. Hasham and (hereinafter referred to as "investor) which expression where the context requires shall include its successors and assigns) on the one party,

WHEREAS:

- A. The Licensee is engaging in the business of mining at Muhuwesi locality, in Tunduru District, Ruvuma Region, herein Tanzania, vide Primary Mining License PML No. 000303LNZ dated on 8th June, 2017, QDS 302/4 Over an area described in ANNEX A which granted to M/S Yasini Mussa Salum in partnership Flora Ladislaus Sulus pursuant to the Mining Act, 2010, by the Commissioner for Mineral Ministry of Energy and Minerals herein Tanzania.
- B. The Licensee certifies that all claim boundaries are Cleary and legally marked in the granted Primary Mining Licence of which conferring on the Licensee the right to carry on such prospecting and mining operations and execute such works are necessary for that purpose; and
- C. The developing of gold mine is quite challenging one, it needs constant review of the objectives and strategic towards mining and expertise taking into consideration the circumstances the parties operating in towards to enter into joint venture is purely a strategic move towards securing a quick, and

meaningful mining and expertise for developing package for developing of the project; and

- D. *The Investor* is prepared to finance the working capital for exploration and mining to exploit the mineral potentials in the area for the mutual benefit of all the parties hereto; *and*
- E. Under the terms contained herein the *Parties* are willing to inter into the joint venture package for gemstone mining or other minerals so mine at mine

AND WHEREAS:

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

That the said parties hereof have institutional strengths which when pooled together can facilitate the realisation of the above objective, it is hereby **AGREED** as follows:-

1. **LEGAL OWNERSHIP:**

The Licensee warrants that they have a clear and unencumbered ownership and title to the property as provided in primary Mining Licence caption hereof at Muhuwesi in Tunduru District, Ruvuma Region.

2. **OTHER LEGAL RESPONSIBILITIES:**

The Licensee herein undertakes that it will keep the property in good legal standard by paying all applicable title fees and by complying with regulation of the granted Primary Mining Licence (which is herein known as the contracted area)

3. **NON-INTERFERENCE INTO THE LICENSE HOLDER'S AFFAIRS:**

It is specifically agreed that the Investor role shall be to mining jointly with the licensee to mine and exploit the mineral potential in *Muhuwesi* area and to share the proceeds of the work in the manner agreed herein.

[Handwritten signatures]

4. **EXPLORATION AND MINING OPERATION:**

- i. That the parties will enter into a joint venture specifically for the development of the mining project.
 - ii. The parties agree that they will jointly undertake exploration and mining operations to mine and exploit the mineral potential at the contract area as *agreed herein*.
 - iii. It is agreed that the Parties will make use of the funds raised by the *Investor* to provide Project Management, Standardization, Quality Control, and technology necessary to successfully complete the project.
 - iv. The parties agree that they will jointly undertake exploration and mining operations to mine and exploit the mineral potential at the contract area under the umbrella of the **INVESTOR**;
5. This *Mining Joint Venture Agreement* is being entered into upon the understanding that *Licensee* is contributing its mining land concession PML No. **000303LNZ over an area as described in ANNEX A of the Licence**) shall not and will not contribute any other financial resource, and that all the financial resources required for the full development of this exploration for **GEMSTONE** mining projects or other minerals so mined shall be accessed and availed to the Joint Venture system by the *Investor*.

6. **CONDUCT OF OPERATION:**

The exploration and mining operation to be conducted there - in by parties shall ensure that the land is properly cared for and shall be carried out on good and industrial-like manner and in a cost effective manner; and shall always adhere to the requirements of environments.

7. **DAYS AND TIME OF MINING OPERATION:**

The mining operation shall be carried out on all days of the week except on Saturday's and Sunday 's at the time to be determined by the parties herein, and both parties shall ensure that the operation are carried out with care and attention pertaining to the rules of mining operation.





For avoidance of doubts it is specifically provided herein that **NO EXPLOITATION OR MINING OPERATION** shall be carried out in an a spot in mining area between sunset Friday [6:00pm] and sunset Sunday [6:30] throughout the life of this agreement. This time shall be free and resting days.

Provided that where arises any **EMERGENCY** work requiring work to be undertaken at the mining site during the prohibited period, the same shall be undertaken **NOT** withstanding the provision in [7] above.

8. **WITNESING OF WEIGHING ,SEALING AND STORAGE OF MINED MINERALS:**

The parties herein or their nominated representatives shall be present at each weighing, sealing and or storage in an agreed safe custody, of the **Gemstone** or other minerals so mined at the mines.

9. **TREATMENT OF A SPECIAL MINERALS MINED:**

In the event that special mineral is mined .i.e. an individual and indivisible mineral shall be regarded and treated as a special mineral not withstanding its size having a high mineral value, that parties herein agree that the mineral shall be regarded and treated as a special mineral and shall be safely kept in an agreed place and parties shall be at all times kept informed of its where about and status without fail.

10. **SALE OF THE MINERALS OBTAINED:**

Wherever the parties herein exercise to sell the minerals (s) so obtained under this agreement shall sale the mineral(s) at a fair market value or at its own determined price but not less than the prevailing market price.

11. **REVENUE SPLITING AND SHARING:**

For the smooth carrying out of the mining and exploitation of the minerals herein, parties agree that the minerals to be mined shall be administered as follows that 70% to the Investor and 30% to the Licensee.





For the avoidance of doubts it is specifically provided herein that the proceeds shall be shared by the parties as under:-

- [1] The Licensee - 30%
- [2] The Investor -70% of the proceed

Provided that the Licensee or Investor shall not do anything without prior consultation with the other party that will invalidate this agreement nor enter into any agreement with any other person or partner towards the exploitation of the mining business here in the contact area.

12. MODE OF CAPITAL INJECTION AND INVESTMENT:

- a. For the smooth carrying out of the mining operation, it is agreed as between the parties that/the Investor will inject the working capital to the mining operation which include purchase of necessary machinery and tools, provide technical expatriates with relevant knowledge to mining and other expatriates deemed necessary thereof and, to pay the salary to the laborers on a monthly basis and provide working capital for the day running of the mining operation thereof.
- b. The agreement shall terminate should the operation fail to take off within agreed period or otherwise

13. COMMENCEMENT OF OPERATION AND DURATION OF AGREEMENT

The mining operation herein agreed shall commence on the first day of October, 2016 and shall continue for an initial period of 120 months and the period may be extended thereafter by the agreement in writing by the parties for further period to be so agreed.

14. RIGHT OF INSPECTION FOR RECORDS:

Each party herein shall have the right at any time to inspect the books of record and other records pertaining to the mining operations being undertaken by them pursuant to this agreement and the other party shall willingly make available to the other such books or records for its inspection.

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15. **DISPUTE, PAYMENT OF ROYALTIES AND TAXES TO THE GOVERNMENT:**

The Investor shall observe and comply with special conditions under which the mining premises are held by the Licensee and with Government or Local Authority or any other regulation of whatsoever nature dealing in mining thereof; comply with the regulation arising between the parties hereto or their respective or representatives any of them touching or effective thereof or clause herein contained or as to the rights duties or liabilities of the parties hereto respective or their respective or any of them under or by virtue of this agreement or otherwise or touch the subject matter hereof or rising out of or in relation thereto shall at the first instance be and is hereby referred to Arbitration under the provision of the Arbitration Mutalis Mutandis to any Act or modification or re-enactment thereof for the time being in United Republic of Tanzania.



16. **THE MANAGEMENT OF BUSINESS AFAIR:**

- i. The **MANAGEMENT BOARD** shall have full, exclusive and complete authority and discretion in management and control of the business of the parties for the purpose stated and shall make all decision affecting the business of the party's office herein. At such any action taken shall constute the act of the parties; and the parties agreed that **Salim A. Hasham** shall manage and control the affairs of the parties to the best of his ability and shall use his best effort to carry out business of the parties herein; and;

Provide that the Management Board shall consist the following members:-

- | | | |
|-----|-----------------------|---------------------------|
| [1] | Salim A. Hasham | Managing Director. |
| [2] | Yasin Mussa Salum | Deputy Managing Director. |
| [3] | Mathew Alex Ngonyani | Director. |
| [4] | Flora Ladislaus Sulus | Director. |
| [4] | Emmanuel Magai | Director. |

Further that subject to paragraph [8] hereinabove the parties herein agreed that their nominated representative shall be preventative shall be present at all times during the mining operation and at each weighing, sealing and storage in agreed safe custody place of **GEMSTONE** or other mineral so mined so mined at the mines as hereof.

- ii. The Parties herein shall or nominated representative who shall be present at each weighing, sealing and or storage in an agreed safe custody of the **GEMSTONE OR MINERAL SO MINED AT THE MINES.**
 - iii. Each party shall ensure that all information coming to its knowledge by operation of this *Mining Joint Venture Agreement* shall not be divulged in any manner or form whatsoever to any third parties or persons except with the written consent of both parties or as may be required in the due performance of the obligations herein and subject to the provisions of any requiring.
 - iv. This *Joint Venture Mining Agreement* may be determined to be terminated by any party upon conclusion of all the mining project activities undertaken by the **JOINT VETURE MINING AGREEMEENT.**
 - v. That each of the parties shall at all time during and after the expiration of the period of the said *Joint Venture Mining Agreement* to keep strictly confidential all information considered to be confidential.
 - vi. That each of the parties shall not make any public announcement concerning this agreement or the subject matter hereof without the prior written consent of the other party.
 - vii. That the Licensee shall inform/register the commissioner for Minerals of this agreement.
17. That amendments, additions or deletions to any of the clauses in this Agreement shall only be effective if made in writing and signed by the parties.

18. COMPLETENESS OF THE AGREEMENT

This agreement shall be signed in three originals and it shall supersede all and every other previous agreement on any matter herein provided.

IN WITNESS WHEREOF, the parties hereto personally or acting through their authorized officers or representatives thereto duly authorized, have executed the agreement on the day and year above written.

[Handwritten signatures]

RUBY INTERNATIONAL LTD.

P.O. Box 149

15 OCT 2017

MAHENGE, MOROGORO
TANZANIA

SIGNED AND DELIVERED by
SALIM A. HASHAM for Ruby International Ltd
Who is identified to me by Emmanuel S. Magai
and later known to me personally this 15th
Day of October, 2017.


INVESTOR

WITNESSES OF THE ABOVE SIGNITURE

Name: Innocent Paulos Mwelelwa.

Signature: 

Designation: **Notary public & Commissioner for Oaths.**

SIGNED AND DELIVERED by
YASINI MUSSA SALUM
Who is identified to me by Emmanuel S. Magai
and later known to me personally this 15th
Day of October, 2017.


LINCENSEE

WITNESSES OF THE ABOVE SIGNITURE

Name: Innocent Paulos Mwelelwa.

Signature: 

Designation: **Notary public & Commissioner for Oaths.**

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF ENERGY AND MINERALS

THE MINING (MINERAL RIGHTS) REGULATIONS, 2010
PRIMARY MINING LICENCE 000303LNZ

The Mining Act, 2010

The exclusive right, subject to the provisions of the Mining Act, 2010 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof is hereby granted to M/S **Yasini Mussa Salumu** of **P.O. Box 40 Tunduru, Ruvuma, Tanzania** in partnership with **Flora Ladislaus Sulusi**, (hereinafter called the Licensee), to prospect and mine for **Gemstones**, at **Muhwesi**, in **Tunduru District, QDS 302/4** over an area described in Annex A.

This Licence, unless sooner cancelled, suspended or surrendered pursuant to the provisions of the Mining Act, 2010, shall be valid for a period of **seven (7) years**, effective from the date of grant.

Granted this*8th*..... day of*June*..... *2017*.....

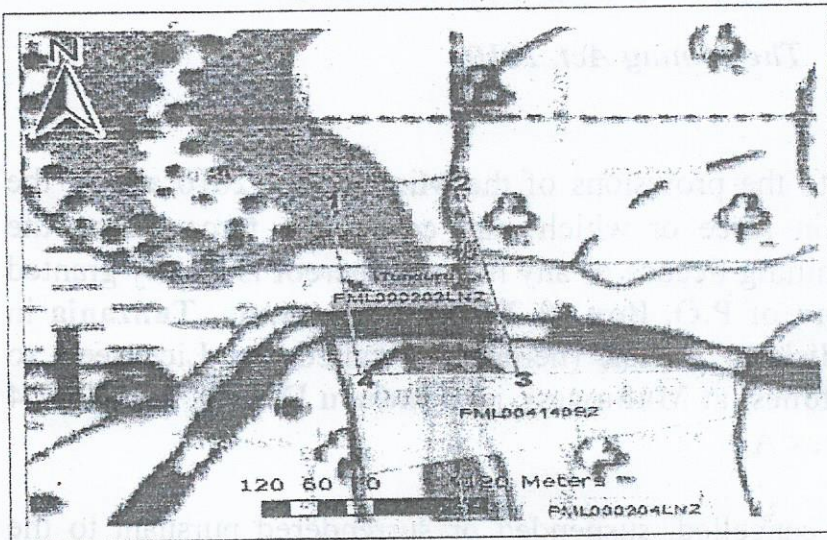
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Fredy A. M. Mahobe
ZONAL MINES OFFICER
Lake Nvasa Zone

ANNEX A

DESCRIPTION OF THE PRIMARY MINING LICENCE AREA

The Primary Mining Licence is at Muhuwesi area in Tunduru District, QDS 302/4 defined by the following corner co-ordinates (Arc 1960):

Corner	Latitude	Longitude
1	- 10 deg. 50 min. 41.54 sec.	37 deg. 28 min. 15.39 sec.
2	- 10 deg. 50 min. 40.62 sec.	37 deg. 28 min. 19.92 sec.
3	- 10 deg. 50 min. 51.70 sec.	37 deg. 28 min. 21.96 sec.
4	- 10 deg. 50 min. 51.70 sec.	37 deg. 28 min. 16.44 sec.



Legend	
Licensed area	
License Number	PML000303LNZ
District	Tunduru
Direction	

An area of approximately 5.05 Hectares.

ANNUAL RENT PAYMENTS

Year	ERV	Amount (TShs.)	Date	Signature & Stamp
1.	7000454	=404,000=	03/07/2017.	 RESIDENT MINES OFF P.O. BOX 15 TUNDURU
2.	99000965642	404,000	15/01/2018	 AFISA MADINI MKA 2 5. L. P. 15 TUNDURU
3.				
4.				
5.				
6.				
7.				