

MINING SERVICE AGREEMENT

This Agreement is made and entered on 10 day of July 2021

BETWEEN

HAMISI HEMEDI MPEYI, A natural person of P.O. Box 10, Mtwara; hereinafter called '**the MINE OWNER**' (*which expression shall include whenever applicable, its legal representatives and assigns*) of the One Part,

AND

SHEBY MIX INVESTMET LTD, a company duly registered under the laws of Tanzania, its registered office address is located at CCM-Nangwanda, P.O. Box 93, Mtwara; hereinafter called '**the MINER**' (*which expression shall include whenever applicable, its legal representatives and assigns*) of the Other Part,

Together shall be referred as '**the Parties**'

WHEREAS

- a. The Ministry of Minerals has granted a primary mining license (PML0412LND and PML0410LND) in favour of the Mine Owner for an area of approximately 2.25 hectares and 8.99 Hectares respectively ('the property'), situated over Kilwa District, QDS 270/4 for the period of 7 Years.
- b. This Agreement is predicated on the Miner's intended operations of extraction/ explosion of Gypsum Mineral ('Gypsum') on part of the property ('the Site Area') in the coordinates of;

| PMLO412LND | | |
|------------|----------------------------|---------------------------|
| CORNER | LATITUDE | LONGITUDE |
| 1 | -09 deg. 18 min. 48:00 sec | 39 deg. 23 min. 6. 00 sec |

| | | |
|-------------------|----------------------------|----------------------------|
| 2 | -09 deg. 18 min. 48:00 sec | 39 deg. 23 min. 9. 00 sec |
| 3 | -09 deg. 18 min. 56:00 sec | 39 deg. 23 min. 9. 00 sec |
| 4 | -09 deg. 18 min. 56:00 sec | 39 deg. 23 min. 6. 00 sec |
| PML0410LND | | |
| 1 | -09 deg. 18 min. 56:00 sec | 39 deg. 23 min. 21. 00 sec |
| 2 | -09 deg. 18 min. 48:00 sec | 39 deg. 23 min. 21. 00 sec |
| 3 | -09 deg. 18 min. 48:00 sec | 39 deg. 23 min. 9. 00 sec |
| 4 | -09 deg. 18 min. 56:00 sec | 39 deg. 23 min. 9. 00 sec |

- c. The Miner undertakes to conduct his activities in a manner that will protect and will not adversely affect public health, safety and welfare.
- d. The parties shall use their best endeavours and provide reasonable assistance to the other party wherever possible to ensure the activities are satisfied expediently.

NOW THEREFORE THIS AGREEMENT WITNESSETH THE FOLLOWING TERMS AND CONDITIONS:

1. COMMENCEMENT AND DURATION

- 1.1 That the Agreement shall commence on the 15th day of September, 2021 and shall remain in force until when terminated by the Parties in accordance with Article 10 of this Agreement or on expiry at the 14th September, 2027.
- 1.2 Unless agreed otherwise, this Agreement may be terminated by either Party serving to the other, a one (1) month prior written notice.
- 1.3 The parties may renew the Agreement upon mutual consent.
- 1.4 During the term of this Agreement and any extension hereof, the Miner shall carry out operations of extraction of Gypsum at the site area and the

Mine Owner shall permit the Miner to carry out operations of extraction of Gypsum ('operations') at the site area.

2. OBLIGATIONS OF THE MINER

- 2.1 To remove, mine and transport Gypsum from the site area to a designated area.
- 2.2 The Miner shall make all necessary payment and carry out necessary procedures for the registration of this agreement with the Ministry of Minerals.
- 2.3 To construct, install and improve the Site Area for an uninterrupted excavation of Gypsum. The Miner will bare all costs for any construction, installation and/or improvements.
- 2.4 To conduct all operations using appropriate modern and effective equipment, infrastructure, materials and methods. Such operations shall be conducted in a proper and workmanlike manner in accordance with the laws of the United Republic of Tanzania.
- 2.5 To install, maintain and use modern health and safety devices and shall practice modern health and safety procedures and precautions in accordance with the laws of the United Republic of Tanzania this shall include the payment of general inspection and publication fee to the Occupational Safety and Health Authority (OSHA).
- 2.6 To take preventive, corrective and/or restorative measures to ensure the Site Area is protected from pollution, contamination or damage resulting from operations as well as conducting an Environmental Impact Assessment and payment of all fees with National Environmental Management Council (NEMC).
- 2.7 Shall remove each and everything that may cause nuisance, annoyance, disturbance, injury, damage or destruction of the environment.

2.8 Shall develop the site to accommodate people and shall build sheds, office, rest shelter and toilet at the site and the same should qualify with the standards of the mining regulations of Tanzania.

3. OBLIGATIONS OF MINE OWNER

3.1 Shall ensure at all times, it shall have in possession a valid Primary Mining License in accordance with the laws of the United Republic of Tanzania.

3.2 Shall not interfere or hinder the Miner or its duly appointed representative or agents in executing their contractual duties or rights, save for the good cause. The term 'good cause' in this Agreement means good and sufficient reasons which both parties may consider appropriate.

3.3 Shall be responsible in ensuring that the Mining Licenses continue to be valid during the period of this Agreement mutatis mutandis to the laws in force in the United Republic of Tanzania.

3.4 The Mine Owner shall have the right to terminate this Agreement if the Miner refrains from payment and managing the operations for a period of one (1) month without notice or any other conflicts relating to benefits pursuant to provisions of Article 13 of this Agreement.

3.5 The Mine Owner shall introduce the Miner and its staff/ representatives to the Local Government Authorities concerning the operations and other Departments responsible for Safety, Health, Environment and any other important departments / authorities including OSHA.

4. LIABILITIES OF THE PARTIES

Notwithstanding anything to the contrary contained in this Agreement;

4.1 The Miner shall be solely responsible for any loss of or damage to the Site Area, damage to environment, death or injury to person, and any other liabilities, damages, losses and reasonable cost and expenses

(including legal costs) suffered by the Mine Owner during the Agreement Period in the following cases:-

- a. Resulting from any act, omission or negligence of the Miner or any other Person claiming through or under it, and their respective employee, agents and representatives.
 - b. In connection with, arising out of, or resulting from any breach of warranty, material misrepresentation by the Miner or any other Person claiming through or under it, or non-performance of any term, condition, covenant or obligation to be performed by the Miner under this Agreement.
- 4.2 The Miner shall also be liable for any loss or damage which occurs as a result of any act, event, omission, negligence or default (including, workmanship, structural, design or other defects, latent or patent, non-compliance with Mining laws, other Applicable Laws, regulatory requirements of Competent Authorities, Specifications and Standards or any other matter) for which the Miner is liable or which is attributable to the Miner and, in turn, the Persons claiming through or under the Miner.
- 4.3 The Miner shall be liable to all taxes, fees, royalties, duties, excises and other charges save for annual rent for Primary Miners License imposed by the Ministry of Minerals. Annual rent will be bore by the Mine Owner.
- 4.4 All parties will bear their own administration cost, operation cost and any other cost which is deemed for operations.

5. CONSIDERATION

- 5.1 The price per month shall be Tanzania Shillings One Million and Five Hundred (Tsh. 1,500,000/=). Proof of payment shall necessitate the following attachments to be submitted to the Mine Owner;

- a. Copy of the bank slip if by direct deposit
 - b. Payment by cheque is permitted
- 5.2 That the price is subject to future changes depending on the variation of the market price of the Gypsum. Any intention to change the price of the Gypsum, the Mine Owner, shall notify the Miner in writing at least one month prior.
- 5.3 All amounts that have been agreed herein above; are exclusive of all taxes and shall be made through a direct deposit by the Miner to the Mine Owner's Bank Account:

BANK NAME: CRDB

ACCOUNT NAME: HAMIS HEMED MPEYI

ACCOUNT NO: 0152289710000

6. **REPORTS AND INSPECTION**

6.1 Reports: The Miner shall submit a report to the Mine Owner on the proof of payment of royalty as per the laws of the United Republic of Tanzania, quantity and quality of the excavated Gypsum, types of equipment and machinery used in operations, report on accidents, victims and deaths, community development activities resulting from the operations, charges and fees paid to any other authorities. The Miner shall submit to the Mine Owner, all other information required for monthly reporting to the Ministry of Minerals in an agreed format.

6.2 Inspection: The Mine Owner may, upon reasonable notification to the Miner, inspect the implementation of the Environmental Impact Assessment Report of the Miner; any all facilities related to the operations as provided hereunder; and the Site Area. The Miner shall make its appropriate employee, agent or representative available to render assistance with respect to any such inspection.

7. **OPERATIONS AND OPERATION COSTS**

- 7.1 Operations shall be carried out under weather conditions which are deemed favourable enough in the reasonable judgement for mining activities. It is agreed that if during the operations, the weather should suddenly become so unfavourable that the satisfactory conduct of the operations can no longer be continued; the operations shall be discontinued and postponed until the next following favourable day.
- 7.2 The parties agree to bear their own costs relating to recruitment of workers and payments/salaries to their staff, unless otherwise agreed by the parties.
- 7.3 The general supervision of the operations shall be administered by both the parties jointly. Parties will maintain a log book at the site and each of the parties will have a person/officer who will be signing the log book on each and every trip dispatched from the Site Area.

8. **AGENTS AND REPRESENTATIVES**

- 8.1 Both Parties shall engage in full either on their own or through their duly appointed agents or representatives to act on their behalf. The appointed agents or representatives shall be introduced by either party by notifying the other party in writing. Agents or Representatives appointed under this Article shall have the same roles and duties of the respective parties in executing this agreement provided that they act according to the instructions from the appointing party.

9. **FORCE MAJEURE**

- 9.1 In this Agreement, unless otherwise agreed by parties in writing, neither party shall be held liable or in breach of this Agreement if there is any total or partial failure of performance by it of the duties and obligations out under this agreement occasioned by the act of GOD (including but not limited to hurricane, floods, earthquake, volcanic

eruptions etc.), wild fire, act of Government or Government interference, crimes, civil commotion, war, insurrection or mutiny, embargo, terrorism or any other natural consequences of external forces which prevent any of the parties from fulfilling their contractual obligations under this Agreement. The parties, upon agreement and if situations so permit, may resume performance after the period of force majeure.

10. TERMINATION

10.1 That each Party, without prejudice to any other remedy for breach of Agreement, by written notice of default sent to the other party, may terminate the Agreement in whole or in part:

- (a) If any party fails to perform any or all of its obligations within the period agreed by the parties, or within any extension thereof granted by the Mine Owner.
- (b) If one party (the defaulting party) shall be in breach, non-observance or non-performance of any of its obligations in this Agreement and does not remedy the same within 21 days of notice of such failure or breach being served upon it by the other party (the non-defaulting party).
- (c) If there is no remedy in case of force majeure factors

11. NOTICES

11.1 All notices, requests, demands and other communications shall be in writing (including fax) in the English or Swahili language and shall be addressed to the party

11.2 The date of receipt of any such notice, demand, request or other communications if served personally shall be deemed to be the date of delivery thereof, or if mailed, the second business day following the

date of mailing, or if delivered via telex, telegraph, or Telecopier, the business day following transmission.

12. **MANAGEMENT**

12.1 The Management shall be done by the Miner at the site area for its operation. Parties in this agreement further agree that the Mine Owner shall select a person who shall be a SPOKESPERSON/ REPRESENTATIVE of the Site Area.

12.2 The mining time shall be from 06:00 am to 06:00pm and dispatches will be subject to that time only.

13. **MISCELLANEOUS**

13.1 This Agreement shall be in English Language and printed in the three (3) original copies each being authentic.

13.2 No amendment, alteration, change, qualification or modification of this Agreement shall be valid unless it is in writing and signed by each Party hereto and any such amendment, alteration, change, qualification or modification shall be adhered to and have the same effect as if they had been originally embodied in and formed a part of this Agreement.

14. **INDEMNIFICATION**

14.1 Each party (the "Indemnifying Party") shall indemnify and hold the other party and its affiliates and their respective employees, officers, agents and their respective permitted successors and assigns (the "Indemnified Party (ies)") harmless from and against (and shall pay as incurred) any and all claims, proceedings, actions, damages, costs, expenses and liabilities and losses of whatsoever kind or nature except as a result of the party's gross negligence, wilful misconduct or bad faith.

15. **GOVERNING LAWS AND DISPUTE SETTLEMENT**

- 15.1 The validity and interpretation of this Agreement shall be governed by the laws of the United Republic of Tanzania.
- 15.2 The invalidity or unenforceability of any particular provision of this Agreement shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such invalid or unenforceable provision was omitted.
- 15.3 Any dispute which may arise between the Parties hereto touching on the construction of this Agreement or any clause hereof or the rights or liabilities of either Party hereunder, shall be amicably settled by the Parties hereto by using their best endeavor to settle such dispute or difference. To this end, Parties shall consult and negotiate with each other, in good faith and in consideration of each other's mutual interests to reach a just and equitable solution satisfactory to them both, failure to reach which solution, such dispute shall be referred to Arbitration pursuant to the provisions of the Arbitration Act, [Cap 15 RE: 2019], laws of United Republic of Tanzania or in any such other mode or means as may be agreed upon by the parties to this Agreement.
- 15.4 This Agreement shall be governed and construed in accordance with the laws in force in the United Republic of Tanzania.

IN WITNESS WHEREOF the parties have concluded this agreement on the day, month, and year in the manner appearing herein below.

SIGNED and DELIVERED at Mtwara by the said
HAMISI HEMEDI MPEYI (*the Mine Owner*) who

is known to me/identified to me by

Shahani Mmwe

The latter being known to me personally

this 10th day of July, 2021

Hamisi Mpeyi
 The Mine Owner

SEALED with the Common Seal/ Official Stamp of
SHEBY MIX INVESTMENT LIMITED (*the Mine*)



Owner) in the presence of us this 18th day of July 2021

Common seal/Official Stamp

Name: SHABANI B mmole
Signature: [Signature]
Postal Address: P O BOX 93
Designation: DIRECTOR

Name: MOHAMED ALLY NAMKO PA
Signature: [Signature]
Postal Address: P O BOX 93
Designation: OPERATIONAL MANAGER

Before Me:
Name: Stephen L. Lekey
Signature: [Signature]
Postal Address: 115 MONROE
Designation: Advocate
NOTARY PUBLIC

