



Mining Joint Venture Agreement And Lease Agreement

Between

**SYLVESTER MWITA & PARTNERS
(Shareholder)**

And

ABDUL KARIM (Shareholder)

(Blue Ocean Mining & Exploration LTD)

BHAVESH DESAI (Shareholder)

(Blue Ocean Mining & Exploration LTD)

Abdul Samad Abdul Wahid (Shareholder)

Mohsin Jameel (Shareholder)



Blue Ocean Mining Joint Venture Agreement

Dated: 13th May 2

Parties

Party 1

REPRESENTATIVE NAME	SYLVESTER MWITA
COMPANY NAME	SYLVESTER MWITA & PARTNERS
ADDRESS	PO BOX 150, RUANGWA, LINDI TANZANIA
EMAIL	smwita@geminigold.co.tz
MOBILE	+255759408877

Party 2

REPRESENTATIVE NAME	ABDUL KARIM & BHAVESH DESAI
COMPANY NAME	BLUE OCEAN MINING & EXPLORATION LTD
ADDRESS	GANDHI STREET DAR ES SALAAM TANZANIA
EMAIL	bhaves@blueoceanmining.co , akarim@blueoceanmining.co
MOBILE	+255 769 315 124, +17326724191
AUTHORISED MANAGER	ABDUL KARIM

Recitals A. The Joint Venturers are, or are entitled to be, registered as the holders and owners of the Tenements set out in Schedule 2.

- B. The Joint Venturers have agreed to enter into a joint venture to explore for Minerals in the Mining Area and, if approved in accordance with the terms of this agreement, to undertake the Development and Mining of the Deposit and the Treatment of the Products on the terms and conditions set out in this agreement.
- C. The Manager has agreed to act as the first manager of the Joint Venture in accordance with this agreement.



The parties agree:

in consideration of, among other things, the mutual promises contained in this agreement:

1 Definitions and interpretation

1.1 Definitions

Unless the context otherwise requires, the following expressions have the respective meanings in this agreement (including the Recitals):

Abandon means to intentionally and permanently give up, surrender, leave and relinquish all, substantially all, or a severable part, of the Joint Venture Activities or Joint Venture Property, and **Abandonment** has the equivalent meaning.

Accounting Procedure means the accounting procedure set out in Schedule 3.

Annual Accounts has the meaning given in clause 5.1

Approved Program and Budget means a program and budget relating to Joint Venture Activities for a particular period which has been approved or deemed to have been approved by the Management Committee.

Associate means an associate as defined in the Corporations Act.

Blue Ocean mining means Blue Ocean mining and exploration Limited (163992833), or its lawful successor

Auditor means a registered company auditor under the Corporations Act appointed by the Management Committee at the cost of the Joint Venture to conduct an audit each Year of the accounts of the Joint Venture.

Authorization is any consent, authorization, registration, filing, lodgment, notification, agreement, certificate, commission, lease, license, permit, approval or exemption from, by or with an Authority (including the Tenements).

Authorized Officer means the person nominated by a party in its Particulars, or any person replacing the nominated person as its authorized officer by notice given in accordance with this agreement.

Authority is any government department, local government council, government or statutory authority or any other party under a Law which has a right to impose a requirement or whose consent is required with respect to Joint Venture Activities.

Investor's Feasibility Study means a study of the technical, commercial and economic feasibility of Development, Mining, Treatment, Rehabilitation and Mine Closure in the Mining Area and producing Products, which includes exploration, geological, engineering, environmental and other relevant data and capital and operating cost estimates and (if appropriate) marketing studies in sufficient detail to enable options for optimum Development, Mining, Treatment, Rehabilitation and Mine Closure to be identified in reasonable detail, which study is of a standard suitable to be submitted to a potential investor as the basis for lending of funds for the development and operation of the Mining activities contemplated in the study and is capable of supporting a Decision to Mine.

Breach Default Event is the happening of an Insolvency Event in relation to a Joint Venturer or a Joint Venturer committing a material breach of any of its material obligations under this agreement (other than an Unpaid Monies Default Event), including where an Encumbrance



(other than an Encumbrance approved by the Joint Venturers under this agreement) is created over or attached to the Joint Venture Interest of a Joint Venturer.

Commencement Date means the date on which the Condition Precedent has been satisfied or waived in accordance with this agreement or, if there are no Conditions Precedent, then the date of this agreement.

Completion has the meaning given to that term in the JV Agreement.

Confidential Information has the meaning given in clause 15.1.

Corporations Act means the Corporations Act 2002

Decision to Mine means a decision made by the Management Committee to proceed to Development and Mining of a Deposit located within the Tanzania.

Default Event means a Breach Default Event or an Unpaid Monies Default Event.

Defaulting Joint Venturer means a Joint Venturer which has committed a breach of this agreement, whether as an Unpaid Monies Default Event or a Breach Default Event or to which (or to a Related Body Corporate of which) a Breach Default Event relates, which breach has not been remedied by the Joint Venturer.

Delivery Point means:

- (a) in the case of the delivery of Gold, the place at which Product is delivered to a Joint Venturer as set out in Schedule 1 or at such other place determined by the Management Committee from time to time; or
- (b) in the case of the delivery of Other Products, such place as is determined by the Management Committee from time to time.

Development means the construction, supply, completion and commissioning of a commercial Mining and Treatment operation for extraction and processing of Products, including the construction or supply of Mining Plant and a Treatment Plant, an Ore pad and associated crushing systems, conveyors, stockpiles, loading systems, utilities, vehicles, offices, workshops, and all other facilities, systems, plant, equipment and personnel required for the safe and efficient development, operation and rehabilitation of the Mine in accordance with the Mine Plans, but does not include Mining or Treatment.

Dispute has the meaning given in clause 10.1.

Dispute Notice has the meaning given in clause 10.2

Dispute Resolution Process has the meaning given in clause 10.3

Due Date means the date on which a payment is due under this agreement.

Expert means a person independent of the parties appointed in accordance with this agreement who is suitably qualified and capable of making an expert determination under this agreement in accordance with, and subject to, the mining department of Tanzania.

Exploration means searching for, discovery and delineation of commercial Deposits and the evaluation of such deposits, including prospecting, surface mapping, sampling, aerial mapping and reconnaissance, drilling, trenching and related field work, geophysical and geochemical testing, core sampling, assaying, exploration declines, test mining, analysis and evaluation of activities undertaken and results obtained, conducting preliminary feasibility studies, preparing feasibility study reports, and planning, supervising and administering all activities undertaken, but does not include Development, Mining or Treatment, and **Explore** has the equivalent meaning.



Feasibility Study means a study of the technical, commercial and economic feasibility of Development and Mining in the Mining Area and producing Minerals in significant commercial quantities, which includes all available exploration, geological, engineering and other relevant data and capital and operating cost estimates and (if appropriate) marketing studies in sufficient detail to enable options for optimum Development, Mining and Treatment to be identified in reasonable detail, including:

- (a) exploration results and estimates of Mineral Resources, and Proven and Probable Ore Reserves (all as defined in the JORC Code);
- (b) the proposed methods of Development, Mining and Treatment, including the extraction, beneficiation and transportation of the Ore and the Treatment and production of Minerals, including waste disposal;
- (c) an estimate of operating levels, environmental costs, shutdown and rehabilitation costs, including an estimate of required capital expenditure and operating costs;
- (d) an economic evaluation of the proposed Development, Mining and Treatment and the marketing and sale of the Minerals including a comparative analysis of the effect of various assumptions, financing methods, operating costs and taxation; and
- (e) a schedule of relevant Authorizations required to be obtained before Mining may commence,
- (f) and includes any preliminary, scoping or pre-feasibility study.

GST and Royalty Act means A New Tax System (Goods and Services Tax) Cap 148 R.E 2019 and associated GST legislation as well as Royalty as per mining act 2017

Insolvency Event means the happening of any of the following events in relation to a body corporate:

- (a) it is unable to pay all its debts as and when they become due and payable or it has failed to comply with a statutory demand as provided in section (CAP. 25 R.E. 2019) of the Corporations Act;
- (b) a resolution is validly passed to wind up the body corporate voluntarily or to appoint an administrator;
- (c) it, or any other person, makes an application to a court for its winding up, being an application that is not stayed, withdrawn or dismissed within 7 days;
- (d) an order is made for it to be wound up;
- (e) it proposes to enter into or enters into any form of arrangement (formal or informal) with its creditors or any of them, including a deed of company arrangement; or
- (f) it becomes an insolvent under administration as defined in (CAP. 25 R.E. 2019) of Corporation Act
- (g) **Minerals** means all gold, green garnet, tanzanite and all minerals including, but not limited to, graphite, lithium, and diamond extracted from the Mining Area under this agreement which are capable of being sold.

Joint Venture means the unincorporated joint venture established by and under this agreement to be known by the name set out in the Particulars.

Joint Venture Accounts means the accounts on an accrual basis maintained in US dollars by the Manager on behalf of the Joint Venturers in accordance with this agreement, including the Accounting Procedure, and containing a record of all charges and credits that are attributable to the Joint Venture consistent with standard accounting procedures, expenditure classifications and reporting formats as accepted by the Management Committee.



Joint Venture Activities means all Exploration, Development, Mining, Treatment, Rehabilitation and Mine Closure activities involved in the acquisition, use, development, operation and maintenance of Joint Venture Property and all other activities, undertakings, and operations undertaken by the Joint Venturers pursuant to this agreement, but does not include the marketing or sale of Products.

Joint Venture Asset Register means the register of assets owned by the Joint Venturers and maintained by the Manager for the purposes of the Joint Venture.

Joint Venture Intellectual Property means all business names, trademarks, copyright, patents, patent applications, discoveries, inventions, and similar rights developed by the Manager pursuant to an Approved Program and Budget in the course of Joint Venture Activities.

Management Committee means the committee of representatives of the Joint Venturers established under this agreement to supervise the management of the Joint Venture.

Manager means the person or entity named as Manager in Schedule 1 or such other person or entity as may be engaged or appointed by the Management Committee as Manager from time to time under this agreement.

Mine means:

- (a) the Mine; or
- (b) each mine, the name and location of which are to be determined by the Management Committee, for the Mining Gold and other mineral Products that the Joint Venturers have decided to develop and operate in the Mining Area.

Mine Closure means all or any action or conduct by the Manager for the purpose of suspending or Abandoning all, or a severable part of, the Joint Venture Activities or Joint Venture Property under this agreement whether by way of demolition, removal, destruction, conversion, placement on permanent care and maintenance or other basis, or any similar action or conduct, and all other action or conduct as the Manager considers necessary to comply with all applicable Laws, the requirements of an Authority or Good Tanzanian Mining Practice in relation to such Mine Closure.

Mine Plans means the long term life of mine plan, and shorter term mining plans of various terms, as amended from time to time, which describe the sequencing of mining GOLD, and which incorporate the key parameters for mining, including mining sequence plans, landform designs, access and haulage roads, and which provide schedules for the volumes of Gold ore, overburden and waste to be mined, stored, processed or disposed of, and the production of Products within the range and periods required by the Management Committee from time to time.

Mineral or Minerals means the mineral or minerals specified in Schedule 1.

Minimum Interest means the Percentage Share of Joint Venture Interest specified in Schedule 1.

Mining means all operations associated with the extraction of GOLD and other minerals from the Mining Area, and haulage and delivery to the Treatment Plant, including pre-stripping, and the removal and disposal of overburden and waste, but does not include Exploration, Development, Treatment, Rehabilitation or Mine Closure.

Mining Act means the mining legislation described in Schedule 1.

Mining Area means the whole of the area within the Tenements set out in Schedule 2 depicted on the plan annexed as Exhibit A, and any other additional Tenements or areas of land applied for or acquired for the purposes of this agreement.

Mining Information means all information, data and records relating to the Tenements and Joint Venture Activities including all surveys, maps, aerial photographs, electronically stored data, sketches,



drawings, memoranda, drill cores, logs of those drill cores, geophysical, geological or drill maps, sampling and assay reports and notes.

Mining Plant means all Capital Works, plant, equipment, machinery, facilities and other infrastructure required to carry out Mining operations.

Ore means any mineral or mixture of minerals of intrinsic economic interest located in or on the Earth's crust at a concentration above background level.

Other Deposit means a body of Ore located within the Mining Area (excluding the GOLD Deposit and any Precious Minerals Deposit) which has been the subject of a Investor's Feasibility Study and which the Joint Venturers have determined is economically feasible to be subject to Development, Mining, Treatment, Rehabilitation and Mine Closure.

Particulars means the particulars of a party and the Joint Venture given on page 1 of this agreement, or any particular amended by the party by notice given in accordance with this agreement.

Percentage Share means the percentage Joint Venture Interest which a Joint Venturer has in the Joint Venture in accordance with this agreement.

Shutdown Costs means all costs associated with shutting down or suspending Joint Venture Activities within the Mining Area including the costs associated with satisfaction of Rehabilitation Obligations and Mine Closure Obligations, and any redundancy or termination benefits or payments to any consultant or contractor or employee who is engaged by the Manager in the conduct of Joint Venture Activities, but only to the extent of the period for which an employee was engaged in Joint Venture Activities.

Termination Events has the meaning given in clause 14.1.

Third Party means a person not a party, or the Related Body Corporate of a party, to this agreement.

Blue Ocean Entity means The Blue Ocean Mining and Exploration Limited (a company incorporated in Tanzania, company number 163992833 and any of its Related Bodies Corporate.

Treatment means the processing, smelting, and refining of Ore, overburden and waste up to and including producing Products, and includes crushing, weighing, sampling, assaying, refining, treatment, transportation, handling, storage, loading and delivery of the Products, but does not include Mining or Development.

Treatment Plant means all Capital Works, buildings, plant, facilities and other infrastructure established for Treatment, including the washing plant, CIP plant and associated crushing systems, conveyors, stockpiles, loading systems, offices, workshops and recovery areas.

Unpaid Monies are monies due for payment under this agreement, and include monetary compensation and damages payable by a Defaulting Joint Venturer which is agreed, awarded or determined following an unremedied Breach Default Event for so long as it is unpaid, and interest and costs payable or reimbursable in accordance with this agreement.

2 Joint Venture objectives and relationships

2.1 Joint Venture agreement

With effect from the Commencement Date, the Joint Venturers agree to establish the Joint Venture as an unincorporated joint venture according to the terms and conditions contained in this agreement.



2.2 Objects and scope of the Joint Venture

The objects of the Joint Venture are to undertake Joint Venture Activities associated with the Mining Area and, in particular, to:

- (a) design, construct, develop and operate Blue Ocean Mine and associated works and services in accordance with the terms of this agreement;
- (b) mine and, as appropriate, crush, screen, beneficiate, process, convey, handle, store and stockpile Ore, overburden and waste extracted from the Blue Ocean Mine, and produce Gold and other precious mineral Products;
- (c) store and deliver Gold and other precious minerals in kind to the Joint Venturers at the Delivery Point;
- (a) maintain the Tenements and further Explore and evaluate the Mining Area for reserves of Ore;
- (b) if Exploration indicates the probable existence of a further commercially minable Deposit in any part of the Mining Area, carry out an Investor's Feasibility Study, including the construction and operation of a pilot plant (if required) to test the feasibility of further Development;
- (c) do all things incidental to any of the objects as resolved by the Management Committee; and
- (d) Undertake such other activities as the parties agree from time to time upon the terms and conditions set out in this agreement.

2.3 Development and Mining of the Gold Deposit

- (a) The Manager or any Joint Venturer may, at any time, propose to the Management Committee that the Joint Venture undertake Development and Mining of the Gold Deposit (a **Blue Ocean mining and Sylvester Mwita & Partners development Proposal**).
- (b) Within 90 days of receipt of a Sylvester Mwita Development Proposal, the Management Committee shall meet to consider and then either approve or reject that Sylvester Mwita & Partners Development Proposal.
- (c) If the Management Committee decides by Unanimous Vote to approve a Sylvester Mwita & Partners Development Proposal and make a Decision to mine, each Joint Venturer must, to the extent that such mining lease has yet to be applied for or granted, participate in an application for a mining lease over the area of the Tenements agreed to be mined.
- (d) If the Management Committee does not approve a Sylvester Mwita & Partners Development Proposal then the parties shall, for a period of 90 days from the date of the decision of the Management Committee, endeavor to agree such amendments to the Sylvester Mwita & Partners Development Proposal as will enable it to achieve a Unanimous Vote or Super Majority Vote. At any time after the expiry of the 90 day period, the Manager or any Joint Venturer may submit:
 - (i) A revised version of the Sylvester Mwita Development Proposal it has previously submitted; or
 - (ii) A new Sylvester Mwita Development Proposal, to the Management Committee for approval.
- (e) Within 20 days of receipt of a resubmitted or new Sylvester Mwita & Partners Development Proposal, the Management Committee shall meet for a second time to consider and then either approve or reject that Sylvester Mwita & Partners Development Proposal. If the Management Committee decides by Unanimous Vote or a Super Majority Vote to approve that Sylvester Mwita & Partners Development Proposal and make a Decision to mine then clause 1.3 shall apply.
- (f) If at a meeting of the Management Committee convened pursuant to clause 1.2b, the



Management Committee does not approve a Blue Ocean Development Proposal then, but only then, any Joint Venturer that voted in favour of the Blue Ocean Development Proposal at the meeting of the Management Committee, may propose that Blue Ocean Development Proposal as a Sole-Risk Proposal.

- (g) The Joint Venturers agree that if, in the normal course of Mining at the Blue Ocean Mine any part of a Gold Deposit rock or soil is removed, and then all mineral deposits must be placed on a separate stockpile within the Mining Area and can only be dealt with in accordance with clause 3.4.

2.4 Development and Mining of a Gold Deposit

- (a) The Manager or any Joint Venturer may propose to the Management Committee that the Joint Venture undertake Development and Mining of any Gold Deposit in a defined area of the Tenements.
- (b) If the Management Committee decides by Unanimous Vote or Super Majority Vote to approve the Gold Project and make a Decision to Mine, each Joint Venturer must, to the extent that such mining lease has yet to be applied for or granted, participate in an application for a mining lease over the area of the Tenements agreed to be mined (**Gold PML Area**).
- (c) An area of approximately 9.54 Hectares has been leased to Blue Ocean Mining and Exploration Limited with License Number PML0699LND in Ruangwa District for a period of 10 years.
- (d) If the Management Committee does not approve the Gold Project then the Gold Project will not proceed, but this does not prevent a further proposal for Development and Mining of the Gold Deposit being later submitted to the Management Committee for approval.
- (e) If the Joint Venturers elect to proceed with a Gold Project while Blue Ocean and Sylvester Mwita & partners are the only Joint Venturers under this agreement, then from the date of such election the following will apply:
 - (i) Expenditure: incurred exclusively in respect of the Gold Project; will be borne and paid for by the Blue Ocean Only. In the course of Mining at the Blue Ocean Mine, Gold Deposit located within the Sylvester Mwita PML Area is removed and placed on a separate stockpile within the Mining Area; Blue Ocean will pay all the cost incurred;
 - (ii) for the purposes of clause 1.1 (a), the Manager must deliver to each of Blue Ocean and Sylvester Mwita their respective entitlement to Gold and other precious minerals at the Delivery Point in accordance with the Percentage Shares set out in clause 2.1

2.5 Development and Mining of any Other Deposit

- (a) The Manager or any Joint Venturer may propose to the Management Committee that the Joint Venture undertake Development and Mining of any Other Deposit in a defined area of the Tenements (**Other Minerals**).
- (b) If Blue Ocean management decides by Unanimous Vote or Super Majority Vote to approve Other Project and make a Decision to Mine, each Joint Venturer must, to the extent that such mining will be automatically considered in this lease.
- (c) If the Management Committee does not approve the Other Project within the required period then the Other Project will not proceed, but this does not prevent a further proposal for development and Mining of the Other Deposit being later submitted to the Management Committee for approval.

2.6 Rights, obligations and liabilities of Joint Venturers

- (a) The rights, duties and obligations of the Joint Venturers arising out of this agreement are pre agreed between both parties. Sylvester Mwita team will be do the following duties:



- i. Management of Gold mine
 - ii. Production of gold and other previous minerals through washing plant or CIP plant;
 - iii. Oversight of mines and any other work related to production and dealing with authorities etc
- (b) Blue Ocean will be responsible for running the mines, injecting capital for buying machines, renewing licenses, paying GST or royalties, salaries of the employees, recruiting geologist and team necessary to run the mining business.
- (c) Nothing in this agreement is to be construed or interpreted as constituting a partnership between the parties or making any Joint Venturer the agent or representative of any other Joint Venturer, except for the Manager when acting as manager, and not, if applicable, as a Joint Venturer, or as the Joint Venturers acting in concert with one another.
- (d) Each Joint Venturer must indemnify and hold harmless each other Joint Venturer from and against all damage, loss, expense or liability of any nature (other than consequential, economic or indirect losses, including any lost production or loss of profits) suffered or incurred by the other Joint Venturers caused by the Joint Venturer's breach of this agreement or its negligent act or omission in the course of Joint Venture Activities.

2.7 Joint Venturer covenants

Each Joint Venturer covenants separately with each other Joint Venturer:

- (a) to perform every obligation and commitment which it has in relation to the Mining Area under the Mining Act or other applicable Law;
- (b) to perform its obligations under or relating to the fulfilment of any contract which relates to the Joint Venture or Joint Venture Activities;
- (c) not to do or cause to be done any act matter or thing whereby the continued enjoyment of the Tenements by any Joint Venturer might be jeopardized;
- (d) to act co-operatively, honestly and reasonably in all its dealings with each other and the Manager concerning the Joint Venture provided that, except as expressly provided by this agreement, no Joint Venturer is under any fiduciary duty to the other Joint Venturers or the Manager;
- (e) not to engage either alone or in association with another or others or through a Related Body Corporate in any activity over the Mining Area except as provided or authorised by or under this agreement; and
- (f) that each Joint Venturer has the unrestricted right to engage in and receive the full benefit of any competing activities outside the Mining Area.

Subject to the confidentiality provisions of this agreement, each Joint Venturer is entitled to use and apply Mining Information outside the Mining Area, provided that such activities are carried out in a manner which does not prejudice, impair or impede Joint Venture Activities.

2.8 Party warranties

Each party warrants for the benefit of each other party that:

- (a) **(Incorporation)** it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation;
- (b) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations



under this agreement;

- (c) **(Corporate authorisations)** all necessary authorisations for the execution, delivery and performance by it of this agreement in accordance with its terms have been obtained;
- (d) **(No legal impediment)** its execution, delivery and performance of this agreement complies with its constitution and does not constitute a breach of any law or obligation, or cause a default under any agreement by which it is bound; and
- (e) **(No trust)** it enters into and performs this agreement on its own account and not as trustee for or nominee of any other person.

3 Joint Venture Property

3.1 Joint Venture Interests

The Joint Venture Interests of the Joint Venturers at the Commencement Date are:

Joint Venturer	Percentage Share
Sylvester Mwita & Partners	10% Gross
Blue Ocean Mining	90%
	100.00 %

3.2 Use and ownership of Joint Venture Property

- (a) All Joint Venture Properties are owned separately by the Joint Venturers. Land and initial development work done by Sylvester Mwita on their sites are owned by them and all machineries and further development work will be owned by Blue Ocean.
- (b) Each Joint Venturer must ensure that all Joint Venture Property that it controls is available for the purpose of Joint Venture Activities for the duration of the Joint Venture.

3.3 Delivery and sale of Products

- (a) The Manager must deliver each Joint Venturer's Percentage Share of Products to the Joint Venturer at the Delivery Point and, if separately delivered, by use of equipment and techniques which are specifically designed and intended not to favour any one Joint Venturer over another.
- (b) Title to, and the risk of loss of, or damage to, the Products passes to each Joint Venturer at the Delivery Point.
- (c) Each Joint Venturer has the right and obligation to take in kind and separately sell and dispose of its Percentage Share of Products on delivery to it. Any extra expenditure incurred in the separate taking and disposition by a Joint Venturer of its Percentage Share of Products, including all royalties, taxes, costs and expenses, must be borne by Blue Ocean Only.

3.4 Disposal of Joint Venture Property

- (a) The Manager may, with the approval of the Management Committee and in accordance with the Accounting Procedure, dispose of items of Blue Ocean it considers is no longer needed or suitable for Joint Venture Activities as economically and reasonably as possible, in accordance with the agreement.
- (b) The proceeds of recovery and disposal of Joint Venture Property (except land), net of selling and disposal costs, must be credited to Blue Ocean mining.



3.5 Mine Closure and Abandonment

- (a) If the Management Committee decides to undertake Mine Closure or Abandon any Joint Venture Property, the Manager must formulate and present to the Management Committee for its approval, a Proposed Program and Budget designed to satisfy the obligations of the Joint Venturers in respect of the Mine Closure or the Joint Venture Property proposed to be abandoned.
- (b) Unless the Management Committee otherwise determines, any Approved Program and Budget for Mine Closure or Abandonment must be carried out by the Manager.
- (c) Upon the Management Committee adopting an Approved Program and Budget for Mine Closure and Abandonment for whole or any part of Joint Venture Property, the Manager must require each Joint Venturer to provide its Percentage Share of any security for Mine Closure.

4 Management Committee

4.1 Establishment of Management Committee

- (a) A Management Committee is established on the Commencement Date. Each Joint Venturer must suggest and appoint one common representative to the Management Committee in writing.
- (b) The role of the Management Committee is to supervise the Manager in the management of the Joint Venture and to make, subject to this agreement, all strategic decisions relating to the conduct of Joint Venture Activities, including the consideration and approval of any Proposed Program and Budget, Mine Plans, and other management plans and any amendments to any Approved Program and Budget, approved Mine Plans and approved management plans.
- (c) The Manager must appoint (and may dismiss) a person, who may be one of its employees, to be secretary of the Management Committee. The Manager must cause the secretary to prepare agendas for meetings, keep proper minutes of all meetings and coordinate communications among the Joint Venturers regarding meetings of the Management Committee.
- (d) At meetings of the Management Committee each representative present must act solely as representative of the Joint Venturer which appointed him or her but a representative may also represent the Manager at Management Committee meetings.
- (e) Each representative has full power and authority to represent and bind the Joint Venturer which appointed him or her in all matters decided by the Management Committee, and the Joint Venturer is bound by all votes cast by its representative.
- (f) Any decision made by the Management Committee under this agreement is deemed to be a decision of all the Joint Venturers, and each Joint Venturer is bound as if that decision was an agreement entered into by them.

4.2 Functions of Management Committee

Except as otherwise provided in this agreement, the Management Committee may decide all matters relating to the conduct of Joint Venture Activities, including (but not limited to):

- (a) establishing policies from time to time covering Joint Venture Activities;
- (b) deciding on matters relating to:
 - (i) the price to be paid, or pricing formula to be applied, for goods and services to be used in the carrying out of Joint Venture Activities;



- (ii) the production of Products, or any matters relating to the capacity to produce Products;
 - (iii) acquiring goods or services from persons that will be used in the carrying out of Joint Venture Activities;
 - (iv) the allocation of contracts, arrangements or understandings to persons supplying goods or services that will be used in the carrying out of Joint Venture Activities;
 - (v) bids in relation to the acquisition of goods or services that will be used in the carrying out of the Joint Venture Activities.
- (c) approving cost overruns by the Manager under any Approved Program and Budget; and
- (d) Appointing an Auditor.

4.3 Meetings of the Management Committee

- (a) All meetings of the Management Committee must be held in Dar es Salaam, unless otherwise agreed by the Joint Venturers and, in default of agreement, at the office of the Manager.
- (b) The Manager shall ensure that, unless otherwise agreed by the Joint Venturers, a meeting of the Management Committee is convened at least once every six months.

4.4 Maintenance of the Joint Venture Accounts

- (a) The Manager must maintain the Joint Venture Accounts and the Joint Venture Asset Register in accordance with the Accounting Procedure on behalf of the Joint Venturers in their Joint Venture Interests.
- (b) The Manager must make available to any Joint Venturer on request copies of the Accounting Procedure, expenditure classifications and reporting formats underlying the Joint Venture Accounts.
- (c) The Manager must retain all receipts, vouchers and other documents relating to Joint Venture Expenditure until directed otherwise by the Management Committee.

4.5 Litigation

A Joint Venturer has the right to participate, at its own expense, in litigation or administrative proceedings initiated by the Manager on behalf of the Joint Venturers.

5 Programs, Budgets and Called Sumsties

5.1 Proposed Programs and Budgets

- (a) Sylvester Mwita and its representative will provide a budget proposal for mining actives or such to the appointed Manager. The Manager will provide the Joint Venturers with a Proposed Program and Budget prepared in accordance with the Accounting Procedure, which must include:
 - (i) details of the program of Joint Venture Activities proposed for the next Year, or for the period of any proposed Capital Works;
 - (ii) an itemized budget specifying all estimated Joint Venture Expenditure proposed to be called by the Manager on a monthly basis under this agreement; and
 - (iii) all available proposed major contracts and supporting documentation.



- (b) Each Proposed Program and Budget must include expenditure on the Tenements sufficient to comply with minimum expenditure obligations under the Mining Act and the Tenements during that period.

5.2 Approved Program and Budget

- (a) Within 30 days after provision by the Manager of a Proposed Program and Budget (or in the case of the first Year, within 128 days of the Commencement Date) the Management Committee may determine, the Management Committee must meet (as many times as necessary) and discuss the Proposed Program and Budget for the next Year, or appropriate period and adopt, with or without amendment, an Approved Program and Budget for that Year or period.
- (b) Once the Proposed Program and Budget is approved by the Management Committee, the Manager is authorised to undertake all Joint Venture Activities and incur all Joint Venture Expenditures referred to therein and must implement the Approved Program and Budget, and give a copy to each Joint Venturer.
- (c) An Approved Program and Budget may be amended by the Manager with the approval of the Management Committee. If the amendments to the Approved Program and Budget are material, the approval must be by way of a Unanimous Vote.

6 Accounts, reports, audit and access

6.1 Joint Venture accounting

- (a) The Manager must maintain separate books, accounts and records for the Joint Venture of Joint Venture Expenditure in accordance with the Accounting Procedure and generally accepted accounting principles adopted from time to time by the Institute of Chartered Accountants in Tanzania, consistently applied.
- (b) The Manager must develop and provide to the Joint Venturers standard accounting procedures, expenditure classifications and reporting formats in accordance with the Accounting Procedure as appropriate to the Joint Venture to satisfy the requirements of the Management Committee and the Auditor.

6.2 Reports to Joint Venturers

The Manager must keep the Joint Venturers informed of all Joint Venture Activities by submitting in writing to the Joint Venturers:

- (a) within 20 days of the end of each calendar quarter, quarterly progress reports which include statements of Joint Venture Expenditure and comparisons of such expenditures to the Approved Program and Budget, including quarterly summaries of data acquired;
- (b) within 30 days of the end of each Year or other relevant period, a detailed final report after completion of each Approved Program and Budget, which must include comparisons between actual and budgeted Joint Venture Expenditure;

6.3 Individual Joint Venturer recording responsibilities

- (a) Each Joint Venturer is responsible, in respect of its Joint Venture Interest, for all financial and accounting records required by Law or to support its income tax returns or any other reports required by any Authority.
- (b) The Manager must provide to each Joint Venturer such Joint Venture information prepared by the Manager in accordance with this agreement, as the Joint Venturer may reasonably require to



prepare its financial and accounting records.

7 Assignment

7.1 Restriction on assignment

- (a) A Joint Venturer may not assign, transfer, sub-lease or otherwise deal with the whole or any part of its Joint Venture Interest unless the consideration involves payment of cash to the Joint Venturer in whatever form and over any period (including immediate cash, deferred cash, royalty, net smelter return, net profit interest and the like, and including payment of Joint Venture Expenditure) and is otherwise:
 - (i) permitted by this agreement; or
 - (ii) done with the prior written consent of all the other Joint Venturers, which consent may be given or refused in each Joint Venturers absolute discretion.
- (b) Except as otherwise provided in this agreement, a Defaulting Joint Venturer may not assign, transfer, sub-lease or otherwise deal with the whole or any part of its Joint Venture Interest.

8 Default

8.1 Breach Default Event to be remedied

- (a) The Manager or any Non-Defaulting Joint Venturer may at any time after a Breach Default Event occurs serve a written notice on the Defaulting Joint Venturer specifying the nature of the Breach Default Event and requiring it to be remedied. The Defaulting Joint Venturer must then:
 - (i) if the Breach Default Event is capable of being remedied, remedy the default within 30 days of its receipt of the notice of default; or
 - (ii) if the Breach Default Event is not remedied within 30 days or is not capable of being remedied, pay adequate monetary compensation to the Non-Defaulting Joint Venturers such payment to be made within 45 days of receipt of notification of the amount of compensation payable as determined under this agreement.
- (b) The Joint Venturers must agree in writing the amount of adequate monetary compensation to be paid by the Defaulting Joint Venturer under this clause. If the Joint Venturers have not reached agreement within 45 days after the date on which notice of default is given, that amount must be determined by an Expert appointed under this agreement, who must make such determination within 30 days of his or her appointment.
- (c) On agreement or determination of the amount of adequate monetary compensation under this clause, that amount, and any interest and costs payable or reimbursable under this agreement, becomes Unpaid Monies due under this agreement.

8.2 Unpaid Monies Default Event to be remedied

- (a) If an Unpaid Monies Default Event occurs, the Manager must promptly give to the Defaulting Joint Venturer a notice to pay all Unpaid Monies within 30 days after the Due Date (**Non-payment Notice**).
- (b) If the Defaulting Joint Venturer fails to comply with the Non-payment Notice, the Manager must promptly give notice of such failure to all of the other Joint Venturers together with the amount of Unpaid Monies due but not paid (**Unpaid Monies Default Notice**).
- (c) Each Joint Venturer receiving an Unpaid Monies Default Notice has the right (but not the



obligation) after 30 days from receipt of the notice to pay to the Manager all or part of Unpaid Monies referred to in the Unpaid Monies Default Notice on behalf of the Defaulting Joint Venturer. A Joint Venturer which makes a payment of Unpaid Monies on behalf of the Defaulting Joint Venturer becomes a Paying Joint Venturer.

9 Term, suspension and termination of Joint Venture

9.1 Term of agreement

This agreement commences on the date of this agreement and continues until the earliest to occur of any of the following **Termination Events**:

- (a) all Non-Defaulting Joint Venturers (for themselves and as attorney for each Defaulting Joint Venturer) agree in writing to terminate the Joint Venture;
- (b) the Management Committee determines unanimously that all economically recoverable reserves of Products in the Mining Area have been recovered;
- (c) the Management Committee determines unanimously that Joint Venture activities should cease due to a failure to obtain approval under the Act for any required proposals for the extension of Mining into any undeveloped deposits within the Mining Area upon terms and conditions acceptable to all the Joint Venturers; or
- (d) The Joint Venturers cease to hold any interest in any Tenement and further until completion of the winding up of all Joint Venture Activities.

9.2 Suspension of Joint Venture Activities or Mine Closure

- (a) The Manager may, at any time subsequent to 12 months from the Commencement Date, submit to the Management Committee a Proposed Program and Budget for the temporary suspension or permanent Mine Closure of all or any part of Joint Venture Activities.
- (b) The Manager must implement any Approved Program and Budget for the suspension of Joint Venture Activities or Mine Closure, together with any other directions that the Management Committee may give to the Manager in respect of that Approved Program and Budget.
- (c) If Joint Venture Activities are suspended under an Approved Program and Budget, then the Management Committee may at any subsequent time direct that those Joint Venture Activities resume.

9.3 Winding up of Joint Venture

- (a) Immediately following the occurrence of a Termination Event, the Manager must commence winding up Joint Venture Activities including:
 - (i) arranging for an evaluation of the Shutdown Costs as at the date of the termination of the Joint Venture, including the cost of Mine Closure Obligations;
 - (ii) taking such steps to remove all assets belong to Blue Ocean Mining from the Geminin Gold site as it is directed to take by the Management Committee;
 - (iii) satisfying all Rehabilitation Obligations and Mine Closure Obligations;
 - (iv) to the extent reasonably possible, meeting the Shutdown Costs from the proceeds of realization of Joint Venture Property;



9.4 Certain obligations continue beyond termination

Upon termination of this agreement for any reason, all rights and obligations of the Joint Venturers to each other in their capacity as Joint Venturers cease, other than:

- (a) the obligations of confidentiality set out in this agreement; and
- (b) the obligation to pay any actual or contingent liabilities relating to Joint Venture Activities, including the cost of Mine Closure Obligations and any severance, sickness and other employee benefit costs incurred or imposed in connection with Joint Venture Activities, or otherwise arising from this agreement, that have not been discharged as at the date of termination

9.5 Extension of term

The term of this agreement is set for 10 years from the date of signing of MOU (signed by both parties earlier). The Joint Venturers may at any time consult with each other for the purpose of determining whether the term of this agreement is ceased beyond the period it would otherwise automatically renewed.

10 Confidentiality

10.1 Agreement is confidential

The terms and conditions of this agreement and all information flowing to any Joint Venturer from Joint Venture Activities, or in relation to Joint Venture Activities, other than information which is already within the public domain independently of any breach by a party of this agreement (**Confidential Information**), are confidential.

10.2 No disclosure except as permitted

Except as permitted by this agreement, each Joint Venturer and the Manager undertakes that it will keep confidential all Confidential Information received by it and that neither it nor its employees will, without the consent of each of the other Joint Venturers, disclose any Confidential Information to any Third Party.

10.3 Permitted disclosure

A Joint Venturer may disclose Confidential Information:

- (a) to the professional advisers or agents of that Joint Venturer;
- (b) as required by Law or by any competent Authority, whether the obligation arises as a consequence of the act of the Joint Venturer or otherwise;
- (c) to any stock exchange pursuant to Listing Rules which require disclosure;
- (d) where reasonably necessary for the purposes of any arbitration or administrative or legal proceedings involving only the Joint Venturers; or
- (e) to a Third Party, and its advisers, bona fide tendering for or negotiating the purchase of all or part of the interest of that Joint Venturer in the Joint Venture or for the provision of finance to that Joint Venturer.



10.4 Obligations exist beyond termination

The obligations in relation to Confidential Information imposed by this agreement continue until all the Confidential Information ceases to be confidential despite the termination of this agreement for any reason.

11 Dispute Resolution

11.1 Limitation on proceedings

The parties agree that it is a condition precedent to the commencement of any litigation proceedings by a party in respect of a dispute under, or in relation to, this agreement (**Dispute**) that the party has complied fully with the agreed process for resolving a Dispute (**Dispute Resolution Process**) under this clause (regardless of the level or levels on which the Dispute has previously been considered) except:

- (a) where the Dispute concerns the non-payment of monies due, the quantum of which is certain;
- (b) if the party seeks urgent interlocutory, injunctive or declaratory relief; or
- (c) if the other party has failed to observe the requirements of this clause and the party seeks to enforce compliance with the Dispute Resolution Process in respect of the Dispute.

11.2 Dispute Resolution Process

- (a) Where a Dispute arises between the parties, a party may either discuss with Joint Venture appointed manager or give notice to the other parties initiating a Dispute Resolution Process in respect of the Dispute (**Dispute Notice**) which Dispute Notice must:
 - (i) state that the notice is given under this subclause; (ii) describe the nature of the Dispute; and
 - (ii) Nominate a representative of the party who is authorised to negotiate and settle the Dispute on the party's behalf.
- (b) Each other party must within 30 days after receipt of a Dispute Notice nominate in writing to the other parties a representative authorised to negotiate and settle the Dispute on its behalf.
- (c) The parties' representatives must negotiate in good faith with a view to resolving the Dispute within 45 days after the receipt of the Dispute Notice, (or such longer period as those representatives agree), failing which the Dispute must immediately be referred to the respective Chief Executive Officers (or equivalent) of the parties which in the case of Sylvester Mwita and Blue Ocean Mining will be:
 - (i) Sylvester Mwita & partners; and
 - (ii) The Director of Blue Ocean Mining.

11.3 Dispute Resolution Process not to interrupt Joint Venture Activities

The parties must ensure that neither the commencement nor conduct of any Dispute Resolution Process, including Expert determination, causes any interruption to Joint Venture Activities or to the performance by the parties of their respective obligations under this agreement, nor will it affect any of the time limits fixed in this agreement unless the performance of Joint Venture Activities or a party under this agreement is materially affected by the submission of the matter in dispute to arbitration, litigation or by the result of the litigation or arbitration.



12 Force Majeure

12.1 Meaning of Force Majeure

The term “**Force Majeure**” as used in this agreement means any cause which is not reasonably within the control of the Joint Venturer or the Manager claiming relief by reason of Force Majeure, which cause may include:

- (a) an act of God;
- (b) strike, lockout, stoppage, ban or other types of labour difficulty whether at the Mining Area, railway or port or otherwise;
- (c) war (whether declared or undeclared), blockade, act of the public enemy, act of terrorism, revolution, insurrection, riot or civil commotion;
- (d) earthquake, lightning, fire, flood, storm, cyclone, explosion or epidemic;
- (e) embargoes or restraint by an Authority (including heritage related restraints);
- (f) Native Title Claims;
- (g) Unavailability of equipment or transport, or inability to access the Tenements or any relevant portion of them; and any other cause whether of the kind specifically listed above or otherwise which is not reasonably within the control of the Joint Venturer or Manager claiming Force Majeure.

12.2 Labour disputes and Native Title matters

The obligation to use all reasonable diligence to overcome or remove the effect of the Force Majeure does not require the affected Joint Venturer or Manager to:

- (a) settle any labour dispute;
- (b) contest the validity or enforceability of any law, regulation or legally enforceable order by way of legal proceedings; or
- (c) Settle Native Title Claim or enter into any agreement with respect to Native Title Rights, on terms not acceptable to it solely for the purpose of removing the event of Force Majeure.

13 Services Tax and Royalties

13.1 Joint Venturers registered for GST

In this case Blue Ocean Mining warrants that it is as at the Commencement Date, and will be during the term of this agreement if necessary under Tanzania law will registered for GST. In such case, Joint Venturers agrees to form a GST Joint Venture and require the Manager to apply for registration of the Joint Venture as a GST Joint Venture.

13.2 GST liability and Royalties

- (a) As agreed Blue Ocean Mining is liable to pay GST applicable on import of machines and paying to the third party suppliers wherever necessary.
- (b) The additional GST amount is payable at the same time and in the same manner as the consideration for the Supply to which the additional GST amount relates.
- (c) Blue Ocean under its Mining license will have an obligation to pay royalties at a rate of 6% for gemstones, diamonds, and uranium and metallic minerals; and at a rate of 3% for other minerals on total output. In this case royalties on Silvester Mwita profit share will also be paid by Blue



Ocean Mining.

14 Notices

14.1 Form of Notice

Unless expressly stated otherwise in this agreement, any notice, certificate, consent, approval, waiver or other communication in connection with this agreement (**Notice**):

- (a) must be in writing and signed by the sender (if an individual) or an Authorized Officer of the sender;
- (b) must be delivered to the intended recipient by registered prepaid post (or if posted to an address in another country, by registered airmail) or by hand or fax to the address or fax number below or the address or fax number last notified by the intended recipient to the sender; and
- (c) and marked for the attention of the person identified in the Particulars or, if the recipient has notified otherwise, then marked for attention in the last way notified.

15 Ancillary provisions

15.1 Entire agreement

This agreement contains everything the parties have agreed and overrides and supersedes all earlier agreements in relation to the Joint Venture.

15.2 Inurement

The provisions of this agreement ensure for the benefit of and are binding on each party and their respective successors and permitted assigns.

15.3 No third party reliance or inducement

Each party warrants and agrees that when entering into this agreement it relied exclusively on the terms expressly contained in this agreement and on:

- (a) its own inspections, investigations, skill and judgement; and
- (b) opinions and advice obtained by it

and did not rely on any statements, inducements, undertakings, representations or advice given or made, whether orally or in writing, by or on behalf of any other party, including without limitation by any officer, employee or agent of any party.

15.4 Amendment

No modification, variation or amendment of this agreement is of any force unless it is in writing and has been signed by each of the parties.

15.5 Severability

If any provision of this agreement is void, illegal or unenforceable, it may be severed without affecting the enforceability of other provisions in this agreement.



15.6 Waiver

A waiver of any right, power or remedy under this agreement must be in writing signed by the party granting it. A waiver is only effective in relation to the particular right, power or remedy in respect of which it is given. It is not to be taken as an implied waiver of any other right, power or remedy or as an implied waiver of that right, power or remedy in relation to any other occasion.

15.7 Applicable law

- (a) This agreement is governed by and must be construed in accordance with the laws of the Tanzania.
- (b) The parties submit irrevocably to the non-exclusive jurisdiction of the Courts of the Nominated State and all Courts competent to hear appeals from those Courts.

15.8 Fees and charges

- (a) Each party must bear its own costs for the preparation, execution, delivery and performance of this agreement.
- (b) Unless otherwise agreed, all stamp duties and registration fees paid relating to the registration and performance of this agreement, and of all other documents arising out of this agreement, are Joint Venture Expenditure.

15.9 Counterparts

This agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed is deemed an original but all of which together constitute one and the same instrument.



Schedule 1

Part A - Basic Particulars

Approvals Period: TWO (2) months from the Commencement Date, or such longer period as the parties may agree.

Conditions Precedent: Completion occurring under the Blue Ocean Mining Sale and Purchase Agreement.

Delivery Point:	All gold and other minerals collected should be handed over to Blue Ocean Mining Shareholder Abdul Karim Mohammad. He will then access the value and distribute percentage share to both parties
Manager: (Clause 1.1)	ABDUL KARIM (Mutually appointed by both parties)
Mineral: (Clause 1.1)	has the same meaning given to that term in the <i>Mining Act 2010</i>
Mining Act:	Mining Act 2010. (Clause 1.1)
Nominated State: (Clause 1.1)	Dar es Salaam

Part B - Matters requiring a Unanimous Vote - two Joint Venturers only (Clauses 1.2 (c))

1. Approval of a Proposed Program and Budget.
2. A Decision to mine, including the Development Proposal.
3. Material amendments to an Approved Program and Budget.
4. Following a Decision to Mine, further Exploration outside of the area the subject of the decision to Mine.
5. Use by an individual Joint Venturer of any asset of the Joint Venture.
6. Sale or disposition of Gold by way of auction or selling to the buyers which and is material to the operation of the Joint Venture.
7. Sale or disposition of any other precious minerals (green garnet, tanzanite) by way of auction or selling to the market which and is material to the operation of the Joint Venture.
8. Surrender of the whole or any part of the Mining Area except as required for minor boundary adjustments, or under the Mining Act.
9. Suspension, closure, termination or Abandonment of all or any material part of Joint Venture Activities for any reason, including extended Force Majeure.
10. Third Party use or toll processing of Third Party Ore in the Treatment Plant.
11. Suspension of Mining for 6 weeks or more, other than through Force Majeure.
12. Development of a Gold Project.



Schedule 2

List of Gold Mines as at the Commencement Date

Part A: Tenements (mines)

License Number	Area in Sq.Km.	Area in Hectares
PML0691LND	0.0954	9.54
PML0692LND	0.0954	9.54
PML0693LND	0.0954	9.54
PML0694LND	0.0954	9.54
PML0695LND	0.0954	9.54
PML0696LND	0.0954	9.54
PML0697LND	0.0954	9.54
PML0698LND	0.0954	9.54
PML0699LND	0.0954	9.54
PML0700LND	0.0995	9.95
Total Sq. Kms.	0.9581	95.81



Signing page

EXECUTED by in accordance with)
of the Corporations Act 2002 by authority of its directors)
in the presence of:)

Signature of Shareholder -Party 1
(SYLVESTER MWITA & PARTNERS)

[Handwritten signature]

Signature of witness

SYLVESTER MWITA

Name of Shareholder

JESCA S. NDEMBEKA

Name of witness (block letters)

Date: 14/MAY/2023

Gulambhassan Yusuf Hussam

Name of witness

Signature of witness

Signature of Shareholder (BLUE OCEAN
MINING & EXPLORATION LTD)

ABDUL KARIM MOHAMMAD.

Name of Shareholder- Party 2

Date: 14/05/23



Signature of Shareholder (BLUE OCEAN
MINING & EXPLORATION LTD)

BHAVESH DESAI

Name of Shareholder

Date: 14/05/2023