

THE MINING ACT, CAP.123

Made Under Regulations 13(3)

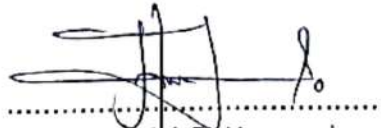
**CERTIFICATE OF AMALGAMATION OF PRIMARY MINING  
LICENCES**

**No. App no/130057**

I, Resident Mines Officer Ruvuma Region, hereby certify that I have amalgamated the Primary Mining Licence(s) Nos. PML0504RVM, PML0505RVM, PML0506RVM, PML0520RVM, PML1832RVM and PML1851RVM respectively, held by M/S **BENSON G. MWAKILEMBE** In Partnership with **ZIADI HAMZA NASORO IGANGULA** of **P.O Box 6754, Dar es Salaam**, pursuant to Regulation 13 (3) of the Mining (Mineral Rights) Regulations, 2018. The licenses are situated at **Mbesa**, in Tunduru District(s).

**IN WITNESS WHEREOF**, this amalgamation is issued

This ..... 19<sup>TH</sup> ..... day of ..... MAY ..... 2022.



Eng. Hamisi S. Kamando

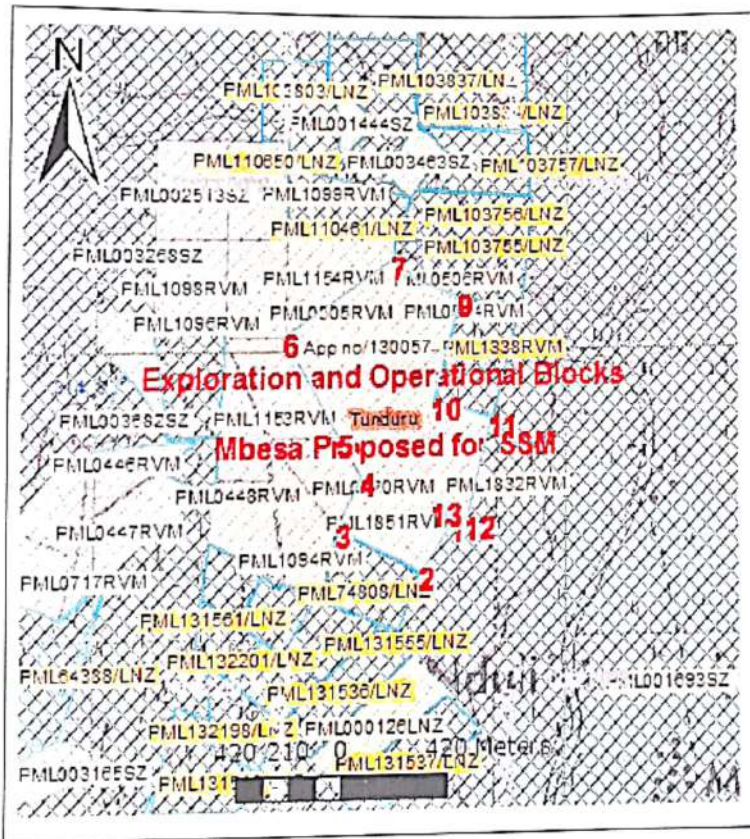
For: **EXECUTIVE SECRETARY  
MINING COMMISSION**

Licence No App no/130057

### DESCRIPTION OF THE MINING LICENCE AREA

The amalgamated Licences are at **Mbesa** area, in **Tunduru** District, QDS **314/3** defined by the following corner coordinates (Arc 1960):

Corner	Latitude	Longitude
1	-11 deg. 21 min. 42.29 sec.	37 deg. 3 min. 21.00 sec.
2	-11 deg. 21 min. 47.96 sec.	37 deg. 3 min. 17.00 sec.
3	-11 deg. 21 min. 42.80 sec.	37 deg. 3 min. 6.00 sec.
4	-11 deg. 21 min. 36.80 sec.	37 deg. 3 min. 9.10 sec.
5	-11 deg. 21 min. 32.00 sec.	37 deg. 3 min. 6.00 sec.
6	-11 deg. 21 min. 19.90 sec.	37 deg. 3 min. 58.80 sec.
7	-11 deg. 21 min. 10.50 sec.	37 deg. 3 min. 12.90 sec.
8	-11 deg. 21 min. 13.00 sec.	37 deg. 3 min. 16.00 sec.
9	-11 deg. 21 min. 15.10 sec.	37 deg. 3 min. 21.70 sec.
10	-11 deg. 21 min. 27.90 sec.	37 deg. 3 min. 18.34 sec.
11	-11 deg. 21 min. 29.97 sec.	37 deg. 3 min. 26.00 sec.
12	-11 deg. 21 min. 42.00 sec.	37 deg. 3 min. 23.00 sec.
13	-11 deg. 21 min. 40.51 sec.	37 deg. 3 min. 18.41 sec.



Legend	
Licensed boundary	
License Number	App no/130057
District	Tunduru
Direction	

This is an area of approximately **0.52** Square Kilometres.

# **Shareholders agreement**

between

**MINERAL ACCESS SYSTEM TANZANIA LIMITED**

and

**ZNBG – MINERALS LIMITED**

and

**MAST-ZNBG JV LIMITED**

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**This Agreement is dated ..... 2022**

- Parties**
- Mineral Access System Tanzania Limited** a company incorporated in Tanzania with company number 84524 whose registered office is located at House No. 18, Senga Road, mikocheni, P.O. Box 45247, Dar es Salaam, Tanzania (the **MAST**)
- ZNBG Minerals Limited** a company incorporated in Tanzania with company number **155778180** whose registered office at Kurasi I, Near Catholic Arch Bishop, Temeke Dar es Salaam and of P.O Box 6754 Dar es Salaam Tanzania (**ZNBG**)
- [MAST – ZNBG JV LIMITED]** a joint venture company incorporated in Tanzania whose registered office is at House No. 18, Senga Road, Mikocheni and of P.O Box 45247, Dar es Salaam,, Tanzania (the **Company**)

## **Introduction**

- A** The Company was incorporated on .....in Tanzania. As at the Signature Date of this Agreement, the Company has the authorised share capital of TZS 100,000,000 divided into 100,000 ordinary shares of TZS 1,000 each, of which 60,000 have been issued.
- B** The issued share capital of the Company is as set out in the Schedule 1.
- C** This Agreement sets out the basis on which the Parties will participate as shareholders of the Company.

## **It is agreed**

### **1 Definitions and interpretation**

- 1.1 In this Agreement, unless the context requires otherwise:
- i. **Act** means the Companies Act, 2002 of Tanzania;
  - ii. **Affiliate** means a body corporate that directly or indirectly controls, or is controlled by, that body corporate;
  - iii. **Agreement** means this shareholders agreement including its schedules;
  - iv. **Auditors** means the auditors of the Company;
  - v. **Board** means the board of directors of the Company;
  - vi. **Business** has the meaning given to it in clause 8;
  - vii. **Business Day** means a day other than a Saturday or Sunday;
  - viii. **Buyer** means a Shareholder, or two or more Shareholders acting together, expecting to buy Equity under a contract or a notice given under this Agreement (other than by Permitted Disposal);
  - ix. **Claims** means all claims of any Shareholder against the Company arising from loans by Shareholders;
  - x. **Companies Act** means the Companies Act No. 12 of 2002;

- xi. **Completion** means completion of a transfer of Equity under this Agreement (other than a Permitted Disposal);
- xii. **Deed of Adherence: the deed of adherence in the form set out in Schedule 1;**
- xiii. **Desired Number** has the meaning given to it in clause 17.2;
- xiv. **Director** means a director of the Company;
- xv. **Dispose** means to sell, cede, transfer, Encumber or otherwise dispose of, and Disposal and Disposed will be construed accordingly;
- xvi. **Encumbrance** means any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-Party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;
- xvii. **Entity** means any company, trust, partnership, joint venture or non-governmental organisation of whatever description and whether or not having separate legal personality;
- xviii. **Equity** means collectively the Shares held by and Claims owing to any Shareholder;
- xix. **Expert** means a person appointed in accordance with clause 21;
- xx. **Financial Year** means the financial year of the Company, being a 12-month period commencing on **01<sup>st</sup> January** and ending on the following **31<sup>st</sup> December**;
- xxi. **Indigenous Tanzania Company** means a company incorporated in Tanzania under the Companies Act that is an indigenous Tanzanian company as defined under the Mining Act No. 14 of 2010 as amended from time to time, and the Mining (Local Content) Regulations 2018 GN. NO. 3 of 2018 and the Mining (Local Content) (Amendments) Regulations 2019 GN. 139 of 8/2/2019 as amended from time to time.
- xxii. **Insolvency Event** means any of the following events or circumstances;
  - (a) it is, or takes any steps to be, or any steps or proceedings are undertaken or instituted against it (but excluding any such steps or proceedings which are frivolous or have no prospect of success or which such Party is, in good faith, diligently contesting) with the object of it being, wound-up, liquidated, or placed under receivership, administrative receivership or administration, as the case may be, whether provisionally or finally and whether compulsorily or voluntarily;
  - (b) it is unable (or admits inability) to pay its debts generally as they fall due or it is (or admits to being) otherwise insolvent or stops or suspends payment of all or a material part of its debts or makes a general assignment or any arrangement or composition with or for the benefit of its creditors;
  - (c) it begins negotiations or takes any proceeding or other step with a view to the general readjustment, rescheduling or deferral of its indebtedness which it would otherwise be unable to pay when due, whether wholly or partially; or
  - (d) any liquidator, receiver, administrative receiver, administrator or the like is appointed in respect of it or any material part of its assets or revenues or it requests any such appointment;

- xxiii. **Local Shareholder** means a Tanzanian citizen or an Indigenous Tanzanian Company, including any transferee(s) thereof, as the case may, changed from time to time;
- xxiv. **Memorandum and Articles of Association** means the memorandum and articles of association which the Company has adopted or modified in accordance with the Act and the Mining Act and its regulations;
- xxv. **Mining Act** means the Mining Act No. 14 of 2010 as amended from time to time;
- xxvi. **Ordinary Shares** means ordinary Shares in the share capital of the Company;
- xxvii. **Permitted Disposal** has the meaning given to it in clause 15.2;
- xxviii. **Price** means the price per Share at which an offer is made or accepted to buy or sell Shares;
- xxix. **Qualifying Investor** means an Indigenous Tanzanian Company Shareholders acting together, expecting or intending to sell Equity under a
- xxx. **Seller** means a Shareholder, or two or more Shareholders acting together, expecting or intending to sell Equity under a contract or a notice given under this Agreement (other than by Permitted Disposal);
- xxxi. **Share** means an issued share in the capital of the Company;
- xxxii. **Shareholders** mean shareholders of the Company;
- xxxiii. **Signature Date** means the date of the last signature of this Agreement, provided that all the Parties sign this Agreement;
- xxxiv. **Specified Proportion** means in relation to one or more Shareholders, the proportion which the number of Shares held by that or those Shareholders bears to the total number of Shares held by all Shareholders (but as modified in clause 17.6 for the purpose of that clause);
- xxxv. **Tanzanian** means a citizen of the United Republic of Tanzania or a body corporate registered under the laws of Tanzania with ownership of 100% equity by Tanzanian citizen(s);
- xxxvi. **Transfer Equity** has the meaning given to it in clause 16.1i;
- xxxvii. **Transfer Notice** has the meaning given to it in clause 16.1;
- xxxviii. **Transfer Shares** has the meaning given to it in clause 17.5; and
- xxxix. **Trigger Event** in relation to a Party means:
- (a) a person (other than the Shareholders) acquiring any registered or beneficial interest in any Shares, directly or indirectly, except as permitted in this Agreement;
  - (b) that Party being the subject of an Insolvency Event;
  - (c) that Party breaching the provisions of this Agreement; or
  - (d) that Party ceasing to be a Local Shareholder;

- xi. **Warranties** means the warranties provided by the Parties as set out in clause 21 and **Warranty** will have a corresponding meaning.
- 1.2 Any reference in this Agreement to:
- i. a **clause** is, subject to any contrary indication, a reference to a clause of this Agreement;
  - ii. **law** means any law including common law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other measure of any government, local government, statutory or regulatory body or court having the force of law; and
  - iii. **person** means any natural or legal person, company, corporation, government, state, agency or organ of a state, (whether or not having separate legal personality).
- 1.3 References to a statutory provision include any subordinate legislation made from time to time under that provision.
- 1.4 A reference to a law is a reference to it as it is in force for the time being taking into account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.5 Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- 1.6 The headings do not govern or affect the interpretation of this Agreement.
- 1.7 If any provision in a definition confers rights, or imposes obligations on any Party, effect is given to it as a substantive provision of this Agreement.
- 1.8 Unless the context indicates otherwise words denoting gender include all genders; reference to a natural person includes a legal person; the singular includes the plural, and the plural includes the singular.
- 1.9 Any number of days prescribed in this Agreement excludes the first day and includes the last day; and any relevant action or notice may be validly done or given on the last day.
- 1.10 Unless the context indicates otherwise if the day for payment of any amount or performance of any obligation falls on a day which is not a Business Day, that day will be the next Business Day.
- 1.11 The words "including" and "in particular" are without limitation.
- 1.12 Any reference to legislation is to that legislation as at the Signature Date, as amended or replaced from time to time.
- 1.13 Any reference to a document or instrument includes the document or instrument as assigned, novated, altered, supplemented or replaced from time to time.
- 1.14 A reference to a Party includes that Party's successors and assignors.
- 1.15 A time of day is a reference to Dar es Salaam time.
- 1.16 The rule of interpretation that, in the event of ambiguity, the contract must be interpreted against the Party responsible for the drafting of the contract does not apply.

- 1.17 The termination of this Agreement does not affect those of its provisions which expressly provide that they will operate after termination, or which must continue to have effect after termination, or which must by implication continue to have effect after termination.

## **2 Incorporation of the Memorandum and Articles of Association**

- 2.1 Unless expressly defined in this Agreement, terms with a capitalised first letter bear the meanings assigned to them in the Memorandum and Articles of Association and are deemed to be incorporated by reference hereto and form part of this Agreement.
- 2.2 The interpretation provisions contained in the Memorandum and Articles of Association apply equally in respect of the interpretation of this Agreement and are deemed to be incorporated by reference hereto and form part of this Agreement.
- 2.3 When any provision of the Memorandum and Articles of Association is incorporated into this Agreement, unless the context indicates otherwise, such provision applies in this Agreement with the same effect, except that references therein to the Memorandum and Articles of Association will be construed as references to this Agreement.
- 2.4 This Agreement shall at all times be read together with and interpreted in the context of the Memorandum and Articles of Association.

## **3 Conditions precedent**

- 3.1 This Agreement, excluding the Parties' recital and clauses 1, 3 and 27 to 3535 inclusive, which will be of immediate force and effect, is subject to the fulfilment or waiver of the Condition that the Shareholders subscribe and pay their Shares in full within 30 days after Signature Date (save for any condition relating to the unconditionality of this Agreement).
- 3.2 Each Party will, where it is within its power and control to do so, use its reasonable endeavours to procure the fulfilment of the Condition within the time permitted.
- 3.3 The Condition is for the benefit of all the Parties.
- 3.4 The Condition may only be waived in writing by all of the Parties and will be effective only to the extent specifically set out in that waiver.
- 3.5 If the Condition is not fulfilled or waived on or before the date or extended date stipulated for such fulfilment, this Agreement will cease to be of any further force and effect and the Parties will be restored as near as possible to their position as if this Agreement was not entered into.
- 3.6 No Party will have any claim against any other Party as a result of or in connection with any such non-fulfilment or non-waiver (other than a claim for a breach by a Party of any of its obligations under clause 3.2), provided that clause 3.1 will continue to be of force and effect and will impose valid and binding obligations on the Parties as applicable, whether or not all the Conditions have been fulfilled or waived, as the case may be.

## **4 Ranking of documents**

- 4.1 If there is a conflict or inconsistency between the provisions of this Agreement and the Memorandum and Articles of Association, the documents will apply in the following order of precedence:
- i. Memorandum and Articles of Association; and

ii. this Agreement.

4.2 However:

- i. any Party may require the Memorandum and Articles of Association to be amended to remove the conflict or inconsistency and to conform it to this Agreement, as the case may be; and
- ii. the Shareholders will vote in favour of all resolutions of the Company necessary to amend the Memorandum and Articles of Association in terms of clause 4.2i.

4.3 The Shareholders undertake not to vote in favour of any resolution that will result in any conflict or inconsistency between the provisions of this Agreement and the Memorandum and Articles of Association.

## 5 Duration

5.1 Subject to clause 3.1, this Agreement will take effect on the Signature Date, and will continue thereafter until terminated in accordance with clause 28 or the date upon which the Company ceases to have more than one Shareholder, whichever date is the earlier.

5.2 On the Signature Date, and pursuant to the transactions contemplated in the subscription agreement:

- i. the authorised share capital of the Company will be 100,000 Ordinary Shares worth TZS 100,000,000/- by TZS 1,000/- each ; and
- ii. the issued share capital of the Company will be held as follows:
  - (a) ZNBG – 27,000 Ordinary Shares, constituting 45% of the issued share capital of the Company; and
  - (b) MAST – 33,000 Ordinary Shares, constituting 55% of the issued share capital of the Company.

## 6 Statutory matters

At the Signature Date:

- 6.1 the name of the Company is **MAST - ZNBG** Limited;
- 6.2 the authorised share capital of the Company is **100,000** Ordinary Shares with the rights and conditions specified in the Memorandum and Articles of Association;
- 6.3 the registered office of the Company is House No. 18, Senga Road, Mikocheni Dar es Salaam;
- 6.4 the Auditors shall be appointed from time to time as members shall deem fit; and
- 6.5 the year end of the Company is **31<sup>st</sup> December** of each year.

## 7 Ownership

7.1 Subject to any change in law that removes or dilutes the requirement for a mining licence holders, contractors, sub-contractors or allied entities to services from indigenous Tanzanian

companies, the shares of the Company will be and remain at least 20% owned by Local Shareholders.

7.2 A Shareholder, who is not a Local Shareholder, is not permitted to take any Equity if it results to the dilution of the 20% ownership by Local Shareholders.

## 8 Business of the Company

8.1 The Company was incorporated as a limited company under the laws of Tanzania and its primary purpose is to carry on drilling and mining activities as provided in the Memorandum and Articles of Association (the **Business**).

8.2 Each Party shall use its reasonable endeavours to maintain, promote and develop the Business in accordance with an agreed upon business plan and budget. The development of the Business is expected to be set out in a business plan and budget.

8.3 Each of the Shareholders undertakes to:

- i. (so far as they lawfully can) ensure that the Company performs and complies with all of its obligations under this Agreement and the Memorandum and Articles of Association; and
- ii. ensure that the Business is conducted in accordance with sound and good business practices and the highest ethical standards.

## 9 Board of Directors

9.1 The Board shall be comprised of [Name the Number of directors] Directors.

9.2 Each Shareholder shall be entitled to appoint Directors based on their shareholding in accordance with the following rules:

Shareholding	Number of Directors
MAST	Up to 4
ZNBG	Up to 2

9.3 As soon as a Shareholder's shareholding falls below the levels specified in clause 9.2, the affected Shareholder shall promptly procure the resignation of such number of Directors appointed by that Shareholder as is required in order to comply with the thresholds set out in clause 9.2.

9.4 The chairman of the Board shall be elected by MAST for a term of after every 5 years of existence of this venture.

9.5 The Parties undertake to vote in favour of the dismissal of any Director if such dismissal is requested in writing by the Party that has appointed such Director (which request need not be substantiated) no later than 30 days following receipt of that written request and such Director shall be replaced by a new Director appointed by the same Party having appointed the former Director.

9.6 The Party which has requested the dismissal of the Director shall indemnify the Company against all claims made against it by the dismissed Director arising directly or indirectly from the dismissal.

9.7 Each Party also expressly agrees to vote in favour of the election of any substitute Director to be appointed by the other Party pursuant to the terms set out herein.

## **10 Board Meetings**

10.1 The Directors will hold:

- i. quarterly meetings; and
- ii. any additional meetings upon request of any of the Directors.

10.2 A Director may, and at the request of a Director, the secretary shall, call a meeting of the Board.

10.3 The Parties shall ensure that at least ten clear days' written notice shall be given to each of the Directors entitled to receive notice. A shorter period of notice of a meeting of Directors may be given if all Directors agree in writing.

10.4 Notices of meetings must be accompanied by:

- i. an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- ii. copies of any relevant papers.

10.5 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the Directors present agree in writing.

10.6 The quorum for the Board meetings shall be 2 Directors provided that one Director is a director appointed by the Local Shareholder present in person or by proxy.

10.7 If a quorum is not present within 30 minutes of the time appointed for the meeting or ceases to be present, the meeting shall be adjourned for five Business Days at the same time and place. Notice of the adjourned meeting shall be given by the secretary of the Company.

10.8 Board meetings shall be chaired by the chairman.

10.9 Meetings of Directors shall make decisions by passing resolutions. A resolution shall be passed if more votes are cast for it than against it.

10.10 All Directors have equal voting rights of 1 vote per Director.

10.11 The Chairman shall be entitled to a second or casting vote.

10.12 Any Director may vote on a matter and be taken into account for the purposes of a quorum even if he is interested in that matter.

10.13 The Shareholders shall use their reasonable endeavours to ensure that at least one Director appointed by them attends Board meetings.

10.14 The Board may approve unanimous resolutions in writing.

10.15 Duly passed resolutions of the Board will be binding as from the time those resolutions were passed.

## **11 Shareholders' Meeting**

- 11.1 Shareholders meetings shall be governed by the Memorandum and Articles of Association and the Act.
- 11.2 The resolutions of any shareholders' meeting shall be passed by a 50% of the votes cast in such meetings without prejudice to any applicable law or the Memorandum and Articles of Association that requires otherwise.

## **12 Reserved Matters**

- 12.1 The Shareholders shall procure, as far as they lawfully can, that no action is taken, or resolution passed by the Company in respect of the following matters without the prior approval of Shareholders representing 75% of the voting rights in the Company:
- i. appointment and removal of a Director in addition to the Directors appointed by the Shareholders;
  - ii. remuneration of any Director;
  - iii. any changes to the Memorandum and Articles of Association of the Company, including any change to the Company's share capital or creation or issuing of any shares or of any other security of the Company;
  - iv. any changes in the authorised or issued share capital or variation of the rights attaching to any class of shares any redemption, purchase or other acquisition of shares by the Company;
  - v. the disapplication of pre-emption rights in the subscription of any shares capital increase;
  - vi. any demerger, consolidation, winding up or any other type of corporate restructuring of the Company to the extent not previously approved by the Shareholders; and
  - vii. the making of any political or charitable contributions.

## **13 Distribution to Shareholders**

- 13.1 Dividends available for distribution, as confirmed in the audited annual financial statements, shall be distributed each year (once or semi-annually) in amounts representing the maximum amounts available for distribution in accordance with the then current business plan of the Company (subject to legal reserves and reserves to be created for any investments as set out therein) and in accordance with the obligations of the Company to its lenders in this respect.
- 13.2 No dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.
- 13.3 Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of Shares, debentures or debenture stock of the Company.
- 13.4 Unpaid dividend, bonus or interest shall bear interest against the Company.
- 13.5 The provisions of this clause 13 do not imply that the Company should pay any dividend out of borrowings.

- 13.6 The profit sharing shall be at the 70:30 proportion, MAST being the recipient of 70% while the ZNBG shall receive 30% respectively.

## 14 Funding

1. To set the joint venture in place, it is agreed that, MAST will ensure, procurement of all mining facilities required to have the mining activities running as well as bearing all operational costs while ZNBG and/or shareholders therein shall surrender all Mining Rights. This landed property and all licenses currently subsisting in favour of that land shall be merged and later upgraded and granted under the name of the joint venture.

The Shareholders acknowledge that, in the event any additional finance is required by the Company, it shall be sought in the following order:

- i. in the first instance, by third party debt finance (to the extent available on satisfactory commercial terms);
- ii. in the second instance, by equity finance or Shareholder loans from the Shareholders on a pro rata basis to their respective shareholdings, provided that no Shareholder shall be compelled to subscribe for further Equity and/or provide any additional Shareholder loans; and
- iii. in the third instance, as the Shareholders shall unanimously agree between them.

## 15 Disposal of Equity

- 15.1 Notwithstanding anything to the contrary contained in this Agreement, a Shareholder must not dispose of any Equity except as provided for or permitted in this Agreement.
- 15.2 In addition to the restrictions contained elsewhere in this Agreement, it is recorded that, any Disposal by a Local Shareholder must not result in a decrease in Company's effective shareholding by a Local Shareholder.
- 15.3 Subject to 15.2, a Disposal of Equity with the written consent of all Shareholders is permitted, a Disposal to a Qualifying Investor is permitted, and a Disposal to an Affiliate is also permitted (in each case **Permitted Disposal**).
- 15.4 Should an Affiliate to whom any Equity has been transferred in terms of clause 15.2 cease to be an Affiliate in relation to the former shareholder from whom it acquired its Equity, that Affiliate (now Shareholder) undertakes, by virtue of having acceded to the terms of this Agreement, to immediately transfer all the Equity, back to the former shareholder concerned, or to such other Affiliate of that former shareholder, as may be nominated, subject to clause 21.
- 15.5 A Disposal in the form of an Encumbrance requires the consent of all the Shareholders.

## 16 Proposed Equity transfers

- 16.1 An intending Seller must give notice in writing (**Transfer Notice**) to the Company and to each other Shareholder, setting out full details of:
- i. the Equity it proposes to Dispose of (**Transfer Equity**);

- ii. the name of the proposed purchaser, if any, and any person who controls the proposed purchaser, or where there is no proposed purchaser, then this fact must be stated;
  - iii. the Price per Share and the amount payable for the Claims, if any Claims (all of which is payable on completion in accordance with clause 21.5);
  - iv. the warranties (if any) the Seller proposes to give the proposed purchaser; and all other terms of the proposed sale; and
  - v. where there is no proposed sale, all the terms upon which the Seller wishes to sell;
- 16.2 A Transfer Notice cannot be withdrawn until the processes in clauses 16 to 21 (to the extent relevant) are complete.
- 16.3 No Shares may be transferred unless a proportionate share of any Claims is also transferred at the same time, and vice versa.

## 17 Pre-emption on transfer of Equity

- 17.1 A Transfer Notice delivered by a Seller constitutes:
- i. an offer by the Seller to sell the Transfer Equity to those Shareholders who received the notice at the Price per Share and at the amount payable for the Claims, if any, all as stated in the Transfer Notice and in the manner outlined in this clause 17; and
  - ii. appointment of the Company as agent of the Seller for the purpose of that offer.
- 17.2 Each Shareholder intending to purchase Transfer Equity in response to a Transfer Notice (referred to below as a **Buyer**) must notify the Company within 15 Business Days after receipt of the Transfer Notice of the number of Transfer Shares it is willing to purchase (its **Desired Number**).
- 17.3 The Desired Number for any Shareholder who does not notify under clause 17.2 is zero.
- 17.4 A notice under clause 17.2 is irrevocable.
- 17.5 If the Company does not receive notification for an aggregate Desired Number equal to or greater than the total number of Shares comprising the Transfer Equity (**Transfer Shares**), this clause 17 pre-emption process ends. The Company must notify all Shareholders and the Seller is free to complete the sale of the Transfer Equity to the purchaser named in the Transfer Notice:
- i. on the terms referred to in clauses 16.1i to 16.1v, as are applicable;
  - ii. within a period of 90 Business Days from the date of the Transfer Notice; and
  - iii. in the manner provided by clause 21.
- 17.6 If the Company receives notices for an aggregate Desired Number equal to or greater than the total number of Transfer Shares, the Company must:
- i. first, allocate sufficient of the Transfer Shares so that each Buyer receives the lesser of:
    - (a) their Desired Number of Transfer Shares; or

- (b) their Specified Proportion of the Transfer Shares. The Specified Proportion must be calculated by excluding from the total number of Shares held by all Shareholders:
    - (i) the Shares of the Seller; and
    - (ii) the Shares of any Shareholder whose Desired Number is zero;
 and
  - ii. then, continually repeat the process (each time excluding from the process and from the calculation of Specified Proportions, the Seller and each Buyer who has already been allocated its Desired Number or whose Desired Number is zero) until all Transfer Shares have been allocated.
- 17.7 The Company may not allocate what would otherwise be fractional interests in Transfer Shares to Buyers, but shall round off to the nearest whole number, with 0.5 being round down.
- 17.8 Claims comprised in the Transfer Equity, if any, are allocated to the Buyers in the proportion to which their allocation of Transfer Shares bears to each other.
- 17.9 Completion under clause 21 must take place as soon as possible after the Transfer Equity has been allocated to the Buyers.

## 18 Drag along right

- 18.1 Subject to clause 6, if a third party buyer offers to buy all of the shares of a selling Shareholder holding (alone or jointly with other shareholders) in total at least 50% of the shares in the Company then such Shareholder(s) shall be entitled to request the transfer pursuant to the exercise of its drag along right (the **Drag Along Right**) of the entire shares in the Company held by the other Shareholders (the **Drag Along Shares**) to a third party buyer. The following shall apply in order for the Drag Along Right to be exercisable by each Shareholder:
- i. the selling Shareholders holding at least 50% of the shares in the Company shall provide a written notice to the other Shareholders within 5 (five) Business Days upon any receipt of an offer from a bona fide third party buyer being made to the selling Shareholder and which the selling Shareholder intends to accept, that it intends to exercise its Drag Along Right;
  - ii. upon notification by the selling Shareholder to the other Shareholders pursuant to clause i above, that it intends to exercise its Drag Along Right, the Shareholders shall enter within ten Business Days into a final sale and purchase agreement on the same terms and conditions as the selling Shareholder with the prospective bona fide third party buyer;
  - iii. the sales price shall not be less than the fair market value; in case the Shareholders fail to agree on what the fair market value is, then such fair market value shall be determined by the Expert in accordance with clause 21.

## 19 Consents and Undertakings

Each Shareholder shall expressly and irrevocably give its consent for any transfer of Shares occurring in accordance with the terms and conditions of clauses **Error! Reference source not found.** and 18, and undertakes to issue, execute, exercise, and deliver any subsequent consent, waiver, approval, resolution, or vote, including but not limited to voting "in favour"

of such transfer in any Shareholders' meeting and sign accordingly any Company Shareholders' resolution approving such transfer and/or any related amendments to the Memorandum and Articles of Association and/or waive or suspend any pre-emption rights or other provisions restricting transfer of shares in the Memorandum and Articles of Association, in order to allow such transfers to proceed as provided above and the Shareholders shall procure the registration of any transfer of any shares in the Company pursuant to clauses **Error! Reference source not found.** and 18.

## **20 Forced transfer of Equity on Trigger Event**

- 20.1 If a Shareholder (**Transferring Shareholder**) is the subject of a Trigger Event, any other Shareholder or combination of Shareholders (**Acquiring Shareholder**) may notify the Transferring Shareholder, the Company and all other Shareholders that it or they will buy all of the Transferring Shareholder's Equity at a price stated in the notice (which must be payable on completion in accordance with clause 21.5).
- 20.2 Subject to clause 20.5, a notice under clause 20.1 is irrevocable.
- 20.3 The Transferring Shareholder must be treated as having accepted the price notified under clause 20.1 (**Offer Price**) unless within ten Business Days after receipt of that notice it issues a notice to the Acquiring Shareholder and the Company requiring the Company to submit the matter for valuation by an Expert under clause 21.
- 20.4 The Company must notify the Transferring Shareholder and the Acquiring Shareholder of the price determined by the Expert (**Valuation Price**).
- 20.5 If the Valuation Price is greater than the Offer Price, the Acquiring Shareholder's notice must be treated as revoked unless the Acquiring Shareholder notifies the Company to the contrary within five Business Days after the Acquiring Shareholder is notified of the Valuation Price, in which case the price will be the Valuation Price.
- 20.6 The ultimate price payable by the Acquiring Shareholders to the Transferring Shareholder will be the Offer Price or the Valuation Price, provided that the Offer Price or the Valuation Price will be discounted by 25% if the circumstances or events that led to the forced sale were as a result of a Trigger Event.
- 20.7 The Parties must proceed with the sale of the Transferring Shareholder's Equity in accordance with clause 20.8, if:
- i. the Transferring Shareholder does not give a notice under clause 20.3;
  - ii. the Valuation Price is not greater than the Offer Price notified under clause 20.1, or
  - iii. the Acquiring Shareholder gives a notice under clause 20.5.
- 20.8 If the sale of the Transferring Shareholder's Equity is to proceed under this clause 20, then:
- i. the Company must notify all Shareholders of the proposed sale and the price;
  - ii. the Transferring Shareholder must be treated as having issued to all other Shareholders a Transfer Notice for sale of all its Equity;
  - iii. clause 17 and clause 21 apply; and
  - iv. the Acquiring Shareholder's Desired Number is all the Transferring Shareholder's Shares.
- 20.9 The Transferring Shareholder is not required to give any warranties.

## **21 Completion of transfers of Equity**

- 21.1 This clause 21 applies to the completion of any transfer of Equity under this Agreement other than a Permitted Disposal.
- 21.2 The rights and obligations of the Parties in respect of any transfer of Equity under this Agreement are suspended and subject to the prior approval of any competent and necessary regulatory authority. Each Party will use all reasonable efforts on its part to ensure that any necessary approvals are obtained.
- 21.3 If the transferee is not already a Shareholder, the transferee must agree in writing to comply with the terms of this Agreement.
- 21.4 The Company must notify each transferor and transferee of Equity of the arrangements for Completion including the time (between 10:00 and 15:00), date (between five and ten Business Days after receipt of the notice) and place (in Dar es Salaam) for completion.
- 21.5 At Completion each transferee must pay to each transferor the Price for all the Shares and the amount owing for any Claims being transferred:
- i. by cash or bank cheque; or
  - ii. by inter-bank or other electronic funds transfer into an account notified by the transferor at least two Business Days before Completion.
- 21.6 At Completion each transferor must deliver:
- i. to the transferee for their Shares:
    - (a) a duly executed proper instrument of transfer for the Shares being transferred;
    - (b) a clear title in those Shares free of any Encumbrance; and
    - (c) the share certificates for all those Shares (if issued);
  - ii. to the transferee for their Claims, a duly executed assignment of the Claims; and
  - iii. to the Company, resignation of any Director or Directors appointed by the transferor under the Memorandum and Articles of Association whom, following Completion, the transferor is no longer entitled to appoint.
- 21.7 If a transferor required to transfer Equity under the pre-emption provisions of clause 17; fails to deliver any required executed instruments of transfer at Completion, the Company may sign a transfer instrument for the relevant Shares and/or assignment for the relevant Claims, in each case as agent for the transferor. The Company may also receive, and give a good discharge for, the Price of any Share and the amount owing for any Claim transferred by the Company as agent for the transferor.
- 21.8 Following Completion, stamping of Share transfers (if required) and compliance with clause 21 (if required), the Company must register the transfer of the relevant Equity as provided under the Memorandum and Articles of Association.

## **22 Determination of value of Equity**

- 22.1 The Expert must be an investment bank or accounting firm of international repute jointly appointed by the Parties affected by the certification or determination to be made, or failing

- such joint appointment within a period of five Business Days from the date on which the relevant Parties are first required to appoint an Expert.
- 22.2 The certification or determination must be prepared or undertaken by the Expert acting as expert and not as arbitrator and will be final and binding on the Parties save for manifest error in calculation or fraud.
- 22.3 In determining the market value of the Equity of a Shareholder as provided for in this Agreement, the Expert will take into account, amongst other things, the following principles:
- i. the value of the Shares of a relevant Shareholder must be the market value of the Shares as between a willing buyer and a willing seller provided, however, that the Expert will not take into account for the purposes of the valuation the fact, if it is so, that the relevant Shares are a minority shareholding;
  - ii. the Expert will take into account:
    - (a) any potential disadvantage that the Company may suffer due to the loss of the contribution of the particular Shareholder; and
    - (b) the effect the loss of the contribution of the particular Shareholder will have on Company's effective shareholding by a Local Shareholder;
  - iii. the Expert will, in the determination of the value of the Equity of a Shareholder, allow the Shareholders an opportunity to make representations to the Expert in respect of the deemed value of the Shares;
  - iv. the Expert will be obliged to disclose to the Shareholders the basis of its valuation of the relevant Equity on the date of determination of such value;
  - v. the value of the Claims will be their face value except if the Expert is of the opinion that they should determine a lesser amount due to the fact that the Shareholder would on the liquidation of the Company receive a lesser amount from the Company. If the Claims reflect a debit balance, the amount of such debit balance will be set off against the value of the Shares of the Shareholder; and
  - vi. the costs of the Expert in effecting the valuation will be borne by the Shareholders in proportion to their holding of Shares in the Company, unless when applied in circumstances set out in clause 20 and the Valuation Price is within 5% of the Offer Price, or less than the Offer Price, in which case the costs of the Expert will be borne by the Transferring Shareholder.

## **23 New shareholders**

- 23.1 No Party may transfer or issue, or grant any interest in or Encumbrance over, Shares to a person not already a Shareholder unless the subscriber or transferee of such shares has executed and delivered a Deed of Adherence.
- 23.2 The Company must not register in its records or otherwise recognise any interest in or Encumbrance over Shares unless a written confirmation has delivered as required under clause 23.1, and unless all obligations of the Shareholder under this Agreement have been satisfied.

## **24 Warranties**

- 24.1 Each Party is entering into this Agreement relying upon the Warranties.

24.2 Unless otherwise stated or otherwise required by the context, the Warranties will apply as at the Signature Date and for the duration of this Agreement.

24.3 Each Party represents and warrants in favour of the other Parties that:

- i. it has full right, power and authority to execute this Agreement;
- ii. it has full right, power and authority to perform its obligations under this Agreement and all actions required to be taken for the due and proper authorisation and execution of this Agreement and the performance of the obligations contemplated in this Agreement have been duly and validly taken;
- iii. the execution by it of this Agreement and the performance of its obligations under this Agreement will not:
  - (a) conflict with or result in any breach of any of the terms or provisions of any agreement or instrument to which it is a party or by which it is bound; or
  - (b) result in any breach of its constitutional documents; or
  - (c) result in the violation of any law or statute or any judgement, order, rule or regulation of any court or arbitrator or governmental or regulatory authority; and
- iv. by entering into this Agreement, each Party will not be in conflict with:
  - (a) any of its constitutional documents; and
  - (b) any other undertaking or agreement binding on it.

## **25 Confidential information**

25.1 Each Party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement including, without limitation, any information which relates to:

- i. the provisions of this Agreement;
- ii. the negotiations relating to this Agreement;
- iii. the subject matter of this Agreement; and/or
- iv. information of or relating to another Party.

25.2 A Party may disclose information which would otherwise be confidential if and to the extent:

- i. required by law;
- ii. the information has come into the public domain through no fault of that Party;
- iii. The Company has given prior written approval to the disclosure, such approval not to be unreasonably withheld or delayed; or
- iv. is disclosed to an adviser or funder of the Party on a confidential basis,

provided that any information so disclosed shall be disclosed only after notification to The Company, unless prohibited by law from doing so.

## **26 Competition with the Business**

- 26.1 Unless it has obtained the prior written consent of the other parties, no Party shall at any time when the Party in question is a Shareholder nor for a period of 18 months after the Party in question ceases to be a Shareholder:
- i. in Tanzania, carry on or be employed, engaged, concerned or interested in any business which is or would be in competition with any part of the business of the Company; or
  - ii. offer employment to, enter into a contract for the services of, or attempt to solicit or seek to entice away from the Company any individual who is at the time of the offer a director, officer or senior employee with the Company or procure or facilitate the making of any such offer or attempt by any other person.
- 26.2 Nothing in this Clause prevents or restricts any Shareholder or any of its Affiliates from:
- i. holding for investment purposes only not more than 5% of any class of shares or securities of any company whose shares are listed on a recognised stock exchange; or
  - ii. carrying on any activity carried on by it in the 12 months prior to the signing of this Agreement; or
- 26.3 Each covenant in this clause 26:
- i. is an entirely separate and independent restriction on each Shareholder and the validity of one restriction shall not be affected by the validity or unenforceability of another; and
  - ii. is considered fair and reasonable by the Parties and no more than is necessary for the protection of the interests of the Company. If any such restriction shall be found to be unenforceable but would be valid if it were deleted in whole or in part or an area of application reduced, the restriction shall apply with such modifications as may be necessary to make it valid and enforceable.

## **27 Dispute resolution**

- 27.1 Each Party shall use best efforts to settle amicably all disputes arising out of or in connection with this Agreement or in its interpretation and any disputes arising out of or in connection with this Agreement shall not relieve a Party of its respective obligations to perform and otherwise comply with the terms of this Agreement but the Parties shall endeavour, acting in good faith, to resolve such dispute by mutual consultation and should both agree with the assistance of an independent third party mediator.
- 27.2 If any dispute has not been resolved by such means within 28 days of mutual consultation or mediation commencing, then:
- i. All disputes arising out of or in connection with this Agreement shall be referred to and finally resolved by arbitration through the Tanzania Institute of Arbitrators and subject to its rules of procedures of arbitration.
  - ii. The seat of arbitration shall be Dar es Salaam.
  - iii. The arbitration shall be in English.
  - iv. All costs and expenses of the arbitration shall be borne by the Parties equally or as the arbitrator shall otherwise direct.

- v. The decision of the arbitrator shall be final and binding to the Parties.

## 28 Termination

28.1 Except for the provisions which this clause 28 states shall continue in full force after termination, this Agreement shall terminate if:

- i. the Shareholders agree in writing to terminate this Agreement; or
- ii. an effective resolution is passed or a binding order is made for the winding-up of the Company (other than to effect a scheme of reconstruction or amalgamation),

provided that this Agreement shall cease to have effect as regards any Shareholder who ceases to hold any Shares save for any of its provisions which are expressed to continue in force after termination.

28.2 The termination will not prejudice the accrued rights or obligations of any Party prior to termination.

## 29 Notices and addresses

29.1 Notices

Any notice, consent, approval or other communication in connection with this Agreement (**Notice**) will be in writing in English.

29.2 Addresses

- i. Each Party chooses the physical address, fax number and/or email address corresponding to its name below as the address to which any Notice must be sent.

(a) The Company: Mineral Access System Tanzania Limited

Physical address: House No 18, Senga Road, Mikocheni, Dar es Salaam, Tanzania

Email address: [george@metallicacc.com](mailto:george@metallicacc.com)

Marked for the attention of: **Georgefrey Eustace Kente**

(b) The Company: ZNBG Minerals Limited

Physical address: P. O. Box 6754 Dar es Salaam

Email address: [hmzaziadi24@gmail.com](mailto:hmzaziadi24@gmail.com)

Marked for the attention of: **Ziad Hamza Nassoro**

- ii. Any Party may by Notice to the other Parties change its address and/or the person, if any, for whose attention any Notice must be marked in clause 29.2i.

29.3 Effective on receipt

- i. Any Notice takes effect when received by the recipient (or on any later date specified in the Notice) and, unless the contrary is proved, is deemed to be received:
  - (a) on the day of delivery, if delivered by hand to a responsible person at the recipient's physical address in clause 29.2. If delivery is not on a Business Day, or is after ordinary business hours on a Business Day, the Notice is deemed to be received on the Business Day after the date of delivery;
  - (b) on the first Business Day after the date of transmission, if sent by fax to the recipient's fax number in clause 29.2; and
  - (c) on the first Business Day after the date of transmission, if sent by email to the recipient's email address in clause 29.2.
- ii. Despite anything to the contrary in this Agreement, a Notice actually received by a Party is effective even though it was not sent, or delivered, or sent and delivered to its address in clause 29.2.

#### 29.4 Service of legal process

- i. Each Party chooses its physical address referred to in clause 29.2i as its address at which legal process and other documents in legal proceedings in connection with this Agreement may be served.
- ii. Any Party may by Notice to the other Party change its address at which legal process and other documents in legal proceedings in connection with this Agreement may be served to another physical address in Tanzania.

### 30 General

- 30.1 This Agreement and the other transaction agreements constitute the whole agreement between the Parties in regard to the subject matter.
- 30.2 No addition to or variation of this Agreement, including this clause, has effect unless in writing and signed by the Parties.
- 30.3 No indulgence by a Party to another Party, or failure strictly to enforce the terms of this Agreement, will be interpreted as a waiver.
- 30.4 The Parties undertake to do everything reasonable in their power necessary for or incidental to the effectiveness and performance of this Agreement.
- 30.5 Save as is specifically provided in this Agreement, no Party is entitled to assign any of its rights and obligations under this Agreement without the prior written consent of the other Parties affected by the transfer of rights or obligations.
- 30.6 Any illegal or unenforceable provision of this Agreement may be severed and the remaining provisions of this Agreement continue in force.

### 31 Conflicts

Notwithstanding anything to the contrary contained in this Agreement, in the event of a conflict between the provisions of this Agreement and the Memorandum and Articles of Association, the Memorandum and Articles of Association will prevail

### **32 Costs**

Each Party must pay its own costs and disbursements connected with the negotiation, preparation and execution of this Agreement.

### **33 Applicable law**

This Agreement is governed by Tanzanian law.

### **34 Jurisdiction**

The Parties unconditionally consent and submit to the non-exclusive jurisdiction of the High Court of Tanzania in regard to all matters arising from this Agreement.

### **35 Counterparts**

This Agreement may be executed in counterparts, each of which will be an original and which together constitute the same agreement.

## Schedule 1

### Deed of Adherence

This Deed is made [date] between:

██████████ [name], a company incorporated in [jurisdiction] with company number [number] and whose registered office is at [address] (the "**Transferor**");

██████████ [name], a company incorporated in [jurisdiction] with company number [number] and whose registered office is at [address] (the "**[name]**");

██████████ [name], a company incorporated in [jurisdiction] with company number [number] and whose registered office is at [address] (the "**[name]**");

([name] and [name] being together referred to as the "**Continuing Shareholders**");

██████████ [name], a company incorporated in [jurisdiction] with company number [number] and whose registered office is at [address] (the "**New Shareholder**");

██████████ [company], a company incorporated in [jurisdiction] with company number [number] and whose registered office is at [address] (the "**Company**"),

(together the "**parties**" and each a "**party**").

#### Recitals:

- (A) By a transfer of Shares in the capital of the Company dated [date], the Transferor transferred to the New Shareholder [number] Shares of [amount] each in the capital of the company.
- (B) This Deed is entered into under Clause [clause number] of an agreement dated [date], made between [names of parties] and the Company (the "**Shareholders' Agreement**").

#### It is agreed as follows:

- 1 Words and expressions used in this Deed shall, unless the context expressly requires otherwise, have the meaning given to them in the Shareholders' Agreement.
- 2 Each of the Continuing Shareholders and the Company releases and discharges the Transferor from the various covenants, undertakings, warranties and other obligations contained in the Shareholders' Agreement which are enjoyed by any of the Continuing Shareholders or Company, and from all claims and demands whatsoever arising out of or in respect of the Shareholders' Agreement subsequent to the date of this Deed.
- 3 The Transferor releases and discharges each of the Continuing Shareholders and the Company from the various covenants, undertakings, warranties and other obligations contained in the Shareholders' Agreement which are enjoyed by the Transferor and from all claims and demands whatsoever arising out of or in respect of the Shareholders' Agreement subsequent to the date of this Deed.
- 4 The New Shareholder confirms that it has been supplied with a copy of the Shareholders' Agreement and undertakes with each of the persons named in the Shareholders' Agreement that, from the date of this Deed, the New Shareholder shall observe, perform and be bound by the provisions of the Shareholders' Agreement as though the New

Shareholder was an original party to the Shareholders' Agreement as one of the Shareholders.

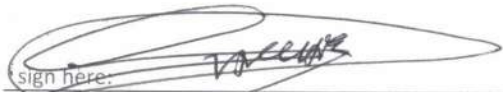
- 5 Nothing in this Deed shall release the Transferor from any liability in respect of any obligations under the Shareholders' Agreement due to be performed by the Transferor prior to the date of this Deed.
- 6 Any dispute arising out of or in connection with this Deed, including a dispute as to the validity or existence of this Deed and/or this paragraph 6, shall be resolved by arbitration in England conducted in English by a single arbitrator pursuant to the rules of the London Court of International Arbitration, which rules are deemed to be incorporated by reference into this Deed.
- 7 This Deed and any disputes or claims arising out of or in connection with its subject matter shall be governed by and construed in accordance with English law.
- 8 All the parties irrevocably submit to the non-exclusive jurisdiction of the courts of England to support and assist the arbitration process pursuant to paragraph 6, including if necessary the grant of interlocutory relief pending the outcome of that process.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

#### EXECUTION

Executed as a Deed by  
Mineral Access System Tanzania )  
Limited )  
acting by a director and )  
a director/company secretary duly )  
authorised



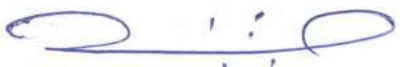
sign here:   
Director

print name: STENDON ARCHER

sign here:   
Director/Company Secretary

print name: GEORGE KENTE

Executed as a Deed by )  
ZNBG Minerals Limited )  
acting by a director and )  
a director/company secretary duly )  
authorised

sign here:   
\_\_\_\_\_  
Director

print name: ZIAD HANZA HASSOR

sign here:   
\_\_\_\_\_  
Director/Company Secretary

print name: BRIAN MUKHEMBA GABRIELI