

# **JOINT VENTURE AGREEMENT**

ENTERED INTO BY AND BETWEEN,

**DAVID JOHN KALEMELA**

AND

**TAJUJ GROUP OF COMPANIES LIMITED**

AND

**EVERYWILL COMPANY LIMITED**

## JOINT VENTURE AGREEMENT

This agreement is made the 18<sup>TH</sup> day of SEPTEMBER, 2024.

### **Parties: -**

- 1) **DAVID JOHN KALEMELA**, residing at Arusha of P. O. Box 14737, Arusha, Tanzania with National Identification Number 19790607-27608-00001-21, a natural person and businessperson (hereinafter referred to as the "First Party" which expression shall where the context so admits include their successors and assignees in the title) of the first part;
  
- 2) **TAJUI GROUP OF COMPANIES LIMITED**, a company established under the Laws of Tanzania, having its registered office at P. O. Box 270, Dar es Salaam (hereinafter called the "Second Party" which expression shall where the context so admits include its successors and assignees) of the second party;
  
- 3) **EVERYWILL COMPANY LIMITED** is a limited liability company incorporated under the Companies Act No.12 of 2002 of P.O. Box 14737, Arusha and whose registered office is at CWT Building, 1<sup>st</sup> Floor, Room No.6, Uzunguni Street Arusha Municipality, Tanzania hereinafter referred to as the "Third Party" which expression shall where the context so admits include its successors and assigns of the third party

### **WHEREAS:**

- A. The First Party is the registered holder of and has the unencumbered rights over twenty-five (25) Primary License to prospect the "Graphite Mines" at Lengasti Village in Manyara Region North East of Tanzania covering a total area of 6.053 sq. km. The Primary Mining Licenses (PMLs) includes PML01016SMN, PML01017SMN, PML01018SMN, PML01015SMN, PML00912SMN, PML00927SMN, PML00926SMN, PML00925SMN, PML00924SMN,

David John Kalemela.....

Everywill Company Limited.....

Tajui Group of Companies Ltd.....

PML00923SMN, PML00913SMN, PML00912SMN, PML009115SMN,  
PML00909SMN, PML00908SMN, PML00907SMN, PML00910SMN,  
PML00900SMN, PML00899SMN, PML00903SMN, PML00904SMN,  
PML00905SMN, PML00906SMN, PML00922SMN and PML00928SMN granted on  
19<sup>th</sup> May 2023 and 20<sup>th</sup> JUNE 2024, valid for 7 years according to the Mining  
Act, Cap. 123, the mine is located in Simanjiro District, Manyara Region,  
Tanzania.

- B. The First Party possesses accompanying maps and other data about the said License.
- C. The First Party is a shareholder of the Third Party and he wishes to transfer the Primary Mining License (PML) to the company. This transfer is intended to facilitate the reclassification of the license to a Mining License (ML) and subsequent inclusion in the joint venture agreement.
- D. Second Party has the capability, capacity and access to the resources necessary to execute the project and is willing to finance the whole project exclusive of First Party's Contributions;
- E. The second party is desirous of entering into this joint venture agreement and has approached the first party and third party to finance, manage, operate, and execute the graphite project for sale.
- F. The First and Second Parties believe that by combining their resources and expertise, they can profitably exploit the graphite rights outlined in Recital "A."
- G. The First Party grants the Second Party exclusive rights to explore, extract, and process graphite within the designated area.

- H. The parties are desirous to enter into a joint venture arrangement wherein the Second Party will serve as both a strategic investor and an operational partner, under the terms and conditions outlined in this Agreement
- I. First Party shall transfer the Primary Mining License (PML) to the joint venture partners. The license will be reclassified from a Primary Mining License (PML) to a Mining License (ML) and, will be held under the following ownership structure: 90% to the Second Party- Tajuj Group of Companies Ltd. and 10% to the Third Party- Everywill Company Ltd.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

**DEFINITIONS AND INTERPRETATION:**

1.1 In this Agreement unless the context otherwise requires: -

- a) **"First Party"** mean **DAVID JOHN KALEMELA**, of Post Office Box Number 10194, Arusha, Tanzania.
- b) **"Second Party"** mean **TAJUI GROUP OF COMPANIES** of Post Office Box Number 279, Dar es Salaam, Tanzania.
- c) **"Third Party"** mean **EVERYWILL COMPANY LIMITED** of Post Office Box Number 14737, Arusha, Tanzania.
- d) **"Parties"** means parties to this Agreement cited in the cover page hereinabove;
- e) **"Joint Venture Project"** means the association of **First, Second and Third Parties** to explore, extract, and process graphite at Lengasti Village in Manyara Region North East of Tanzania.

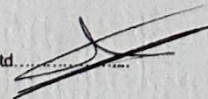
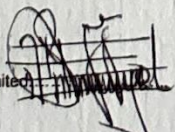
- f) **"Joint Venture Interests"** means the obligations, benefits and rights of the parties expressed on a percentage basis determined in accordance with this Agreement;
- 1.2 Any reference to **First Party, Second Party** and **Third Party** shall include their respective successors, transferees and assigns;
- 1.3 Words importing any gender shall include every other gender;
- 1.4 Headings are included in this Agreement for convenience only and shall not be deemed to affect the interpretation of this Agreement.

## **1. PURPOSE AND SCOPE**

The Joint Venture shall be established to explore, extract, and process graphite within the areas covered by the Target Licenses. All activities related to these processes shall be conducted in accordance with the terms and conditions agreed upon in this Agreement.

## **2. TRANSFER/CONVERSION OF PRIMARY MINING LICENSE (PML) TO MINING LICENSE (ML)**

- 2.1 The First Party will undertake to convert the mentioned Primary Mining License (PML) into a Mining License (ML). A mining License (ML) will be held under the following ownership structure: 90% to the Second Party- Tajuj Group of Companies Ltd. and 10% to the Third Party- Everywill Company Ltd.
- 2.2 All the costs associated with Transfers and conversion of Primary Mining License (PML) to Mining License (ML) shall be incurred by the Second Party.
- 2.3 The initiation, assembly of the documentation and follow-ups of the transfer and conversion shall be the responsibilities of the First Party.



### **3. TERM**

This Agreement shall be effective from the date of execution and shall continue in full force and effect indefinitely until the depletion of all graphite resources within the Target Licenses. The Agreement shall terminate automatically upon the complete exhaustion of the graphite reserves. Upon such termination, all rights and obligations under this Agreement shall cease.

### **4. CONTRIBUTIONS AND RESPONSIBILITIES**

#### **4.1 First Party and Third Party**

- i. Shall ensure that the graphite mining site has valid documentation and permits from various central, local and village government authorities until the transfer where both parties should be jointly responsible.
- ii. Shall adhere to all provisions of this Agreement fulfil their duties and immediately respond to any query by the Second Party.
- iii. Shall, at his discretion, have the right to appoint two individuals to access information about the project, provided that the individual issues fourteen days' notice to the Second Party.
- iv. The First and Third Parties shall ensure that the site remains free from any form of disturbance throughout the project. This includes, but is not limited to, preventing access by unauthorized individuals, such as illegal miners, and addressing any activities that may interfere with graphite exploration, extraction, and processing. The parties are responsible for implementing necessary measures to safeguard the site and maintain operational integrity.
- v. Shall ensure all relationships with the central, local and village government authorities are maintained and in good standing during the life of this

agreement and further agrees to resolve any disputes in favor of and for the benefit of the parties.

- vi. Reserve the right to advise or extend an opinion to safely guide partnership interests throughout.

#### 4.2 **Second Party**

- i. Shall make all investments in terms of capital, technology, labor force, and other necessary resources for the project.
- ii. Shall be responsible for the comprehensive management of all aspects related to the project throughout the term of this Agreement. This includes overseeing all technical and administrative matters, as well as handling budgeting and operational expenditures.
- iii. Shall provide a different range of services to the Project to ensure smooth and timely movement of all graphite from the mining site to the potential buyers.
- iv. Shall be responsible for handling the necessary paperwork that involves the packaging of the consignment.
- v. Shall handle all documentation related to the extracted graphite, including dispatch forms, and shall keep track of routing information.
- vi. Shall provide a semi-annual production report. The Third Party shall be permitted to review this report and may provide recommendations and comments. The parties agree to consider such recommendations and comments in good faith to improve project outcomes and address any issues identified.
- vii. Shall have the right to operate every PML and Mining Site associated with the Project without any infringement, interference, or hindrance by either the First Party or Third Party throughout the Project.

## **5. CONSIDERATIONS**

- 5.1. The graphite extracted and produced under this project shall be sold to the market specified by the Second Party. The Second Party shall notify all relevant partners of the designated market before the sale. Gross revenue from the sale shall be subject to deductions for all applicable royalties, service levies, inspection fees, running costs, capital recovery, and depreciation. The remaining net profit shall be distributed as follows: ninety per cent (90%) to Tajuj Group of Companies Ltd. and ten per cent (10%) to Everywill Company Ltd.
- 5.2. The ten per cent (10%) share of net profit allocated to the Third Party shall be paid directly to that company. The ninety per cent (90%) share allocated to the Second Party shall be distributed according to its internal arrangement.
- 5.3. Distribution and payment of net profit shall occur on an annual basis.
- 5.4. It is agreed that the Second Party shall maintain the books of account, ensuring that all sales, purchases, receipts, payments, transactions, and property of the partnership are properly recorded. The books of account and all related records shall be kept at the principal place of business. Each partner shall have unrestricted access to these books and records at all times for the purpose of reviewing the joint venture's financial and operational activities.
- 5.5. Calculation of Net Profits:
- i. Net Profit: Net profit shall be defined as gross revenues from the sale of minerals, minus development cost recovery, operational expenses (including but not limited to labor, maintenance, utilities, and taxes).
  - ii. Development Costs: Development costs shall encompass, but are not limited to, startup costs, feasibility studies, engineering costs, equipment costs, construction costs, civil and infrastructure costs, consultancy fees, and labor

costs. Recovery of development costs will be achieved over up to four (4) years. During this period, 25% of net profit shall be allocated towards development cost recovery. The remaining 75% of net profit will be distributed to the partners in proportion to their respective shares.

- iii. **Cost Recovery:** Full recovery of development costs shall be completed within a maximum of four (4) years.
- iv. **Profit Limitation:** Should net profit exceed twenty-five per cent (25%) of development costs, the distribution of profit will be limited to twenty-five per cent (25%) of development costs. Any excess net profit will be used to further recover development costs until full recovery is achieved.
- v. Upon the full recovery of the development costs, the parties agree to amend the distribution of net profits and equipment ownership. The adjusted distribution will allocate 80% of the net profit to the Second Party and 20% of the net profit to the Third Party. Additionally, the ownership of the fixed plant equipment will be adjusted to 75% for the Second Party and 25% for the Third Party under the condition that the Parties agree that in the event of the discovery of any additional minerals on the project site, the net value of such minerals shall be distributed according to the respective percentages established in the joint venture agreement: 80% to the Second Party and 20% to the Third Party.
- vi. **Loan Provision:** Upon securing all necessary governmental licenses and permits, and completing the required surveys, feasibility studies, and engineering work, the Second Party may offer a loan to the Third Party. The amount of this loan shall be limited to 10% of the anticipated profit allocated to the Third Party requesting the loan, as per the approved annual budget. The loan will be disbursed monthly and will be deducted from the Third Party's share of the annual profit.

## **6. OPERATIONS OF THE GRAPHITE MINE PROJECT**

- 6.1 Upon execution of this Joint Venture Agreement, the First Party shall promptly hand over the Mining Project, along with all original relevant documents, permits, and licenses, to the Second Party.
- 6.2 It is expressly agreed that the **Second Party** has full mandate, authority and power to alone do all such things and decisions in the execution of this project without needing any additional power of attorney or otherwise, The **Third Party** shall issue a Power Attorney to give the power to the **Second Party**.
- 6.3 **First Party** have not entered into any agreement or arrangement, oral or written with any person regarding the sale or disposition of the said Mining Project and/or Primary Mining Licenses and that there is no notice from the Government or any other regulatory authority adverse to this Agreement.
- 6.4 There shall be no termination of the contract during the operation of the project. In the circumstances that the **First and Third Party** initiates and decides to terminate the Joint Venture, they shall pay the **Second Party** a compensation of USD 15 Million.
- 6.5 The joint venture shall be governed by the terms and conditions outlined in this Agreement, which outline the responsibilities, rights, and operational procedures for the effective management and execution of the graphite project.

## **7. FUNDING OF THE JOINT VENTURE PROJECT:**

- 7.1 It is **HEREBY EXPRESSLY AGREED** that the **Second Party** shall undertake the entire financing of the project on the following activities, that is including:
- a) Project mobilization;
  - b) Costs of appointing any consultancy team (professionals) and contractors;

- c) Costs of extracting the graphite and transportation to the port or any other buyer at any other location or to any other port at the sole discretion of the **Second Party**;
- d) Costs of shipment to the buyers if any;

## **8. APPOINTMENT OF CONSULTANCY TEAM AND CONTRACTORS**

- 8.1. The Second Party shall be exclusively responsible for the appointment of any Project Consultancy Team and Contractors as and when required.
- 8.2. First Party and Third Party shall obtain all necessary approvals from the relevant village, local and Central government authorities before the commencement of the Project.
- 8.3. Work on the Project shall commence after the necessary permits and approvals from relevant authorities have been obtained by the First Party and Third Party, which will be made available immediately after the signing of this agreement.
- 8.4. The First Party and Third Party shall not interfere with the Project work. They shall allow the Second Party and their team to work on the Project in the manner they deem appropriate. Both the First Party and Third Party must refrain from any activities or engagements that could affect the work or the Project throughout the entire duration of this agreement.

## **9. CONFIDENTIALITY**

Each of the parties shall at all times use its best endeavors to keep all information, contracts, and conditions confidential (and to procure that its respective employees, agents, and representatives shall keep confidential) any information of a confidential nature which it or they may acquire in relation to the partnership and shall not use or disclose such information except with the consent of the other party or in accordance

with the order of a Court of competent jurisdiction or, or any other public authority, for the advancement of the business of the project.

- a) The parties shall use all reasonable endeavors to ensure that the officers, employees and agents of each of them shall observe a similar obligation of confidence in favor of the parties to this agreement.
- b) The obligations of each of the parties contained in this agreement shall continue without limit in point of time but shall cease to apply to any information coming into the public domain [otherwise than by breach by any such party of its obligations contained herein provided always that nothing contained in this agreement shall prevent any party from disclosing any such information to the extent required in or in connection with legal proceedings arising out of this agreement or any matter relating to or in connection with the Project.

## **10. TRANSFERS AND ASSIGNMENTS**

Except as otherwise provided in this Agreement, both Parties may not sell, assign, transfer, encumber, or otherwise dispose of any Interest in the Venture without the prior written consent of another Party, and may not pass title to any Interest in the Venture in the absence of such consent. Any transfer prohibited under this paragraph shall be void, and any attempt by a Party to dispose of an Interest in the Venture in violation of this paragraph shall constitute a default under this Agreement.

## **11. EVENTS CONSTITUTING DEFAULT**

Any of the following events shall constitute a default by a Party:

- 11.1 A Party shall also be a defaulting party in terms of this Agreement if the said party shall default in the due observance of performance of any covenant, condition or provision contained in this Agreement other than the payment of money and such default shall continue for more than sixty (60) [calendar days]

after written notice from the other Party specifying the default and demanding the same to be remedied.

- 11.2 Any such default if not remedied within the prescribed period, may be referred to the arbitrator as per the Arbitration Act, 2020 under the laws of the United Republic of Tanzania.

## **12. TERMINATION**

This Agreement shall be said to have terminated upon the occurrence of either of the events hereinunder:

- 12.1 This agreement shall come into force on the date of signing the same hereof and, shall continue in force for a period of till the depletion of the graphite reserve years and thereafter unless or until terminated by either party in the manner provided herein below.
- 12.2 The Second Party may terminate this agreement at any time and for any reasons they may deem fit by issuing a 90-day written notice expressing the intention to terminate.

## **13. NOTICES**

All notices, requests, demands, and other communications hereunder shall be in writing and delivered personally, by email, by facsimile transmission, or sent by registered or certified mail, return receipt requested with postage prepaid, to the Parties at their respective addresses shown below. Any party hereto may change its address upon 7 days' written notice to any other party hereto.

### **First Party:**


Serve Notices To:

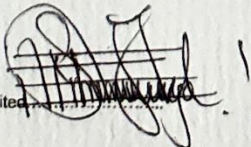
Name: **DAVID JOHN KALEMELA**

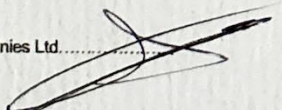
Phone number: +255 767 814 785

Email address: david.kalemela2020@gmail.com

Postal address: P.O. Box 14737 – ARUSHA.

David John Kalemela.....

Everywill Company Limited.....

Tajuj Group of Companies Ltd.....

## **Second Party**

Serve Notices To:

Name: **TAJUF GROUP OF COMPANIES LIMITED**

Email: [info@tajuf-group.com](mailto:info@tajuf-group.com)

Phone number: +255 789 189 202

Postal address: P.O. Box 270 – DAR ES SALAM.

## **Third-Party**

Serve Notices To:

Name: **EVERYWILL COMPANY LIMITED**

Email: [everywillcompanylimited@yahoo.com](mailto:everywillcompanylimited@yahoo.com)

Phone Number: +255 759 231 707

Postal Address: P.O. Box 14737 – ARUSHA

## **14. FORCE MAJEURE**

No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfil any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfilment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost because of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event,

- i. Provide written notice to the other Parties of the nature and extent of any such Force Majeure condition; and
- ii. Use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as soon as reasonably practicable.

## **15. INDEMNITY**

Both parties shall indemnify, protect, defend and hold harmless the other party, her agents and representatives, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, their business operations.

## **16. WARRANTIES**

Parties warrant and represent to each other that immediately before the execution of this agreement; the particulars related to them as set out are true and accurate in all respects.

## **17. GENERAL**

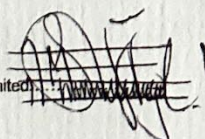
- 17.1 The personal representatives of any party and/or all other successors to the parties to this agreement shall automatically become entitled to 'the benefit of this agreement as if he was named in it in place of the party originally named and all references to a party to this agreement of 'the parties' or any similar expression shall from such date be construed accordingly.
- 17.2 All or any of the provisions of this Agreement may be amended, altered, added to or replaced by the parties by mutual agreement.
- 17.3 No exercise or failure to exercise or delay in exercising any right power or remedy vested in any party under or pursuant to this agreement shall constitute a waiver by that party of that or any other right power or remedy.
- 17.4 Each party shall bear its own costs of or in connection with the preparation and execution of this agreement.
- 17.5 This agreement (together with all agreements and documents executed contemporaneously with it or annexed or referred to in it) constitutes the entire agreement between the parties in relation to the subject matter of it and supersedes all prior agreements and understandings whether oral or written with respect to that subject matter. No variation of this agreement shall be effective unless it complies with this agreement.

- 17.6 The equity entitlement of the Parties shall in each case be several, separate and distinct in proportion to their joint venture interest from time to time and shall not be joint or common.
- 17.7 The liabilities of the parties shall in each case be several, separate and distinct in proportion to their joint venture interest from time to time and shall not be joint or in common.
- 17.8 Upon the completion of the project and the full recovery of all development and operational costs, the Parties agree to distribute the fixed plant equipment in accordance with their respective ownership percentages. The distribution shall allocate 75% of the equipment to the Second Party and 25% to the Third Party, reflecting each party's contribution and stake in the project. This distribution will be carried out in a manner that ensures a fair allocation of equipment, considering its value and utility to each party.
- 17.9 If any term, condition or provision of this agreement is held to be a violation of any applicable law, statute or regulation it shall be deemed to be deleted from this agreement and shall be of no force and effect and this agreement shall remain in full force and effect as if that term, condition or provision was not originally contained in this agreement. Notwithstanding the foregoing, in the event of any such deletion, the parties shall negotiate in good faith to agree on the terms of a mutually acceptable and satisfactory alternative provision in place of the provision(s) so deleted.
- 17.10 This agreement may be executed in any number of counterparts or duplicates, each of which shall be an original, but the counterparts or duplicates shall together constitute one and the same agreement.

## **18. LAW AND JURISDICTION**

This agreement shall be governed by and construed in all respects in accordance with the laws of the United Republic of Tanzania.

All disputes and controversies arising out of/or relating to the performance of this Agreement which cannot be settled by mutual agreement may be referred to

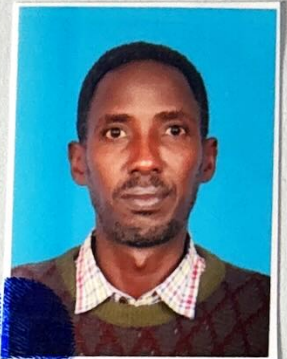


arbitration as per the Arbitration Act, 2020 under the laws of the United Republic of Tanzania.

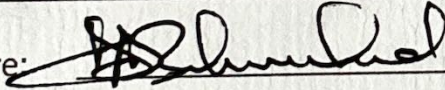
**WHEREFORE** the parties have executed this agreement through the hand of the duly authorized officers in the manner as hereunder and on the date and year first above written.

**SIGNED and DELIVERED** at Arusha  
by **DAVID JOHN KALEMELA** who is  
Known to me personally/identified to me by  
ROBERT R the latter being known to  
me in my presence this 18<sup>th</sup> September 2024.

  
**FIRSY PARTY**



**Before Me:**

Name: Daniel Danland Lyimo  
Signature:   
Postal Address: 12222 Arusha  
Qualification: **Commissioner for Oaths/Advocate**



**SEALED** with the **COMMON SEAL** of  
**TAJUI GROUP OF COMPANIES**  
**LIMITED** in our presence  
this 18<sup>th</sup> day of SEPT' 2024.



**SECOND PARTY**

**In the presence of:**

Name: Mazin Mohamed Ismael

Signature: [Signature]

Postal Address: 270 DSM

Qualification: **Director/Company Secretary**

Name: Jacqueline Mushi

Signature: Ja-ki

Postal Address: 12076, DSM

Qualification: **Director/Company Secretary**

**SEALED** with the **COMMON SEAL** of

**EVERYWILL COMPANY LIMITED**

In our presence this 18<sup>th</sup> day  
of SEPT' 2024.



**In the presence of:**

Name: NORBERT EMMANUEL RIZIKI

Signature: [Signature]

Postal Address: P.O. BOX 14737 - \*RUASHA.

Qualification: **Director/Company Secretary**

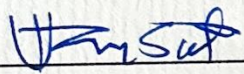
Name: CALVIN ANTHONY UNGULA

Signature: 

Postal Address: P.O. Box 14737 ARUSHA

Qualification: **Director/Company Secretary**

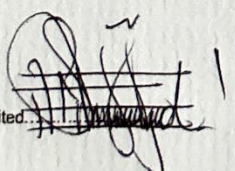
Name: VICENT PUS MASATA

Signature: 

Postal Address: P.O. Box 14737 ARUSHA

Qualification: **Director/Company Secretary**

David John Kalemela 

Everywill Company Limited 

Tajuj Group of Companies Ltd 