

**THE COMPANIES ACT  
(CAP. 212)**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**XIN HAI MINING TANZANIA COMPANY LIMITED**

**Incorporated this ..... day of ..... 2023**

**Drawn By:**

LI XIANG RU  
P.O.BOX 6313  
Mwanza, Tanzania  
Tel: +255 765 155 655

***THE COMPANIES ACT***  
***(CAP 212)***

***COMPANY LIMITED BY SHARES***

***MEMORANDUM OF ASSOCIATION***

***OF***

**XIN HAI MINING TANZANIA COMPANY LIMITED**  
**(A PRIVATE COMPANY)**

1. The Company's name is "XIN HAI MINING TANZANIA COMPANY LIMITED".
2. The Company's registered office is located in the United Republic of Tanzania.
3. The purpose of forming the Company is set out below and its business scope includes but is not limited to:
  - (a) Owning, operating or otherwise disposing of mines, ore deposits, and mineral reserves, excavating, extracting, disposing, processing, drilling and sinking shafts or wells, quarries and land, carrying out marketization, polishing, cutting, purchase, sales, supply, storage, exploration, search and trading of various minerals, including gold, gems, rubies, sapphires, tourmalines, garnets, lime stones, granites and coals, whether in liquid, solid or gaseous state, as well as general processing of metals, base metals, clay and sand, industrial minerals as well as salt and diamonds.
  - (b) Purchasing, leasing or otherwise acquiring land, properties, permits, concessions, claims, licenses or buildings, machinery, equipment, rights and privileges as well as other things or items that may be required by the Company when looking for mining ores and minerals or in all other activities related thereto or in assistance therewith.
  - (c) Serving as a mineral exploration and mining consultant, and providing consulting services and technical supports for other resource companies, individuals and others, regardless of whether these companies or other parties are participating in the mineral exploration and development and the relevant

activities of natural resources sector.

- (d) Acquiring, purchasing, selling and manufacturing, trading or operating mining equipment, carrying out the business of manufacturers, plant owners and industrialists, manufacturing, producing, entering stock market, and selling and exchanging all types of equipment, commodities and goods.
- (e) Conducting business in the capacity of importer, exporter, wholesaler, retailer, trader, banker, commission agent, ship owner, carrier, hotel operator or others.
- (f) Engaging in marine, coastal and inland commerce between ports in the world, engaging in water transportation of goods, bulk goods, passengers, mails and personal belongings, and engaging in commercial activities on water generally all over the world.
- (g) Acting as boatman, ship broker, customs broker, ship agent, ship property manager, freight contractor, freight forwarder, warehouse manager, dock worker, ship chandelier worker and general trader.
- (h) Conducting business of raising, manufacturing, selling and exporting various poultry, poultry products, milk, dairy products and other similar items.
- (i) Conducting business related to poultry, gardening, manufacturing of dairy products, etc.
- (j) Operating various motorized ships and transport air crafts, including leasing or chartering any number of air crafts, cars, trucks, ships or any other types of vehicles during any period.
- (k) Purchasing or otherwise acquiring, owning, using, operating, pledging, mortgaging, leasing, renting, subletting, selling, constructing and refurbishing barges and all other ships and vessels, including air crafts, land air crafts as well as engines, boilers, mechanical equipment and various accessories of any and all land, water or air transport machines, including masts, sails, ships, anchors, cables, rigging, furniture and all other accessories and belongings, as well as all materials, items, tools, equipment and appliances, etc. that are necessary, suitable or convenient for use in construction.
- (l) Purchasing or otherwise acquiring, owning, operating, leasing, constructing, repairing, selling or otherwise disposing of docks, jetties, quays, dry docks,

warehouses and various storage facilities as well as any real estate, personal properties and mixed properties related thereto.

- (m) Establishing and carrying out the general business of builders, contractors, engineers, architects, surveyors, painters, decorators, plumbers and electricians so as to construct, execute, implement, equip and improve various structures (movable and immovable), roads, railways, tram tracks, airports, docks, ports, wharves, canals, waterways, reservoirs, embankments, irrigation, sewage, drainage, water, gas, electricity, telecommunications and other supply works.
- (n) Conducting business in various branches of the telecommunications industry.
- (o) Engaging in computer and data processing business as principal or agent in various commercial Internet e-mail facilities and communication networks, Internet, e-mails, coffee shops, and all relevant data processing items of computer machines and computer equipment for any purpose.
- (p) Conducting business as a holding company of other groups.
- (q) Promoting and carrying out various business as general trader and operator of shops, markets, supermarkets, shopping centers, shopping malls, variety stores, hotels, restaurants, banks, money shops and financial institutions, travel agencies, travel agents, entertainment and conference halls as well as any such enterprises.
- (r) Investing in real estate, purchasing, leasing or otherwise acquiring, and holding, selling, improving, developing, exchanging, mortgaging or otherwise disposing of any land, building, machinery or factory, manufacturing plant, warehouse or other real estate.
- (s) Operating hotels, motor hotels, inns, taverns, restaurants, tourist resorts and nightclubs, motels, holiday camps, tour groups, cottages, tea restaurants, coffee shops, milk and snack bars, fast food restaurants, takeaway restaurants, as well as mobile catering providers, tavern and dormitory administrators, hotel, mobile buildings, apartment administrators, supermarkets, mini marts, departments and food stores as well as social, cultural and entertainment centers, and serving as professional hotel operator, contractor and conference & event organizer.

- (t) Conducting business as a promoter and facilitator of accommodation and tourism, entertainment, recreation, cultural recreation and sports (whether indoor or outdoor), including entertainment parties, exhibitions, vaudevilles, games, competitions, championships, concerts, film and photography, audiovisual (including television) performances, stage and variety shows, fireworks, aerial and spectacular exhibitions, dances, skating, circus as well as activities in other forms and other similar activities.
4. The liability of shareholders is limited, and they shall assume limited liability to the Company to the extent of their shareholding proportion.
5. The authorized capital of the Company is **TSH 1,200,000,000/=(Tanzania Shillings One billion two hundred million only)**, which is divided into **100 shares** at the par value of **TSH 12,000,000/=(Tanzania Shillings Twelve million only). per share.**

The Company has power to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority, or special privilege or subject to any postponement of rights or any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power herein before contained.

The shares in the original or any increased capital may be divided into several classes and there may be attached thereto, respectively any preferential deferred or other special rights, privileged, conditions or restrictions as to dividend capital, voting or otherwise.

We, the persons who have signed our names, addresses and descriptions, intend to establish a company in accordance with this Memorandum of Association. Each of us agrees to subscribe for the number of shares in the Company's share capital corresponding to my respective names.

Name, Address and Description of Subscribers	Number of Shares Taken	Signature of Subscribers
TANG ZUZHENG NO.43 ZHAO DI STREET ,AN LONG DISTRICT, GUI ZHOU ,CHINA	90	唐祖正
LI XIANGRU NO.866 WEILAI STREET,GUAN CHENG DISTRICT, ,ZHENG ZHOU,HE NAN CHINA	10	李向如

Dated at Mwanza this 27<sup>TH</sup> day of MAY 2023

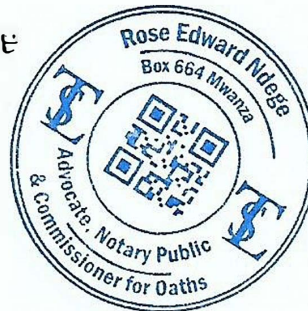
WITNESS to the above signatures:

Name: ROSE EDWARDS NDEGE

Signature: 

Postal Address: 664, MZA

Qualification: ADVOCATE



**THE COMPANIES ACT  
(CAP 212)  
COMPANY LIMITED BY SHARES**

***ARTICLES OF ASSOCIATION***

***OF***

**XIN HAI MINING TANZANIA COMPANY LIMITED**

**1. PRELIMINARY**

1.1. In these Articles,

"The Act" means the Companies Act, Chapter 212 of the laws of Tanzania.

When any provision of the Act is referred to, the reference to that provision is a reference to the provision as modified by any laws for the time being in force.

Unless the context otherwise requires, the expression defined in the Act or any statutory modification thereof in force at the date at which these articles become binding on the company shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing persons shall include bodies corporate, partnerships, firms, co-operative societies, etc.

The regulations of Table 'A' in the First Schedule to the Companies Act (hereinafter called Table 'A') shall apply to the Company, save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under Table 'A' the former shall prevail, and in addition to substitution for or modification of the provisions of Table 'A' the following shall be the regulations of the company:

**2. A Private Company**

2.1. The Company is a private company, therefore:

2.2. The right to transfer shares is restricted in the manner specified below.

2.3. The number of shareholders of the Company (excluding the persons employed by the Company and the persons who were formally employed by the Company in

the past and continue to be employed by the Company after confirming that they are employed by the Company) are limited to fifty (50); but if there are two or more persons who jointly hold one or more shares in the Company, they shall be deemed as a single shareholder for the purposes of these Articles.

- 2.4. It is prohibited to invite the public to subscribe for any shares or debentures of the Company.
- 2.5. The Company has no right to issue stocks or warrants to holders.

### **3. Equity Transfer**

- 3.1. Except otherwise specified in Article 2 of the Agreement, the shareholders' right to transfer their shares shall be restricted as follows:
- 3.2. Shareholders may transfer their equity to each other or transfer their respective equity to a third party. The rights and obligations of the third party after his entry shall be implemented in accordance with the provisions set out in the Cooperation Agreement ; when one of the existing shareholders exercises the right of equity transfer, the cooperation purpose of company establishment shall not be damaged, and other existing shareholders shall have the right of preemption. After other shareholders waive their right of preemption, the equity transferor may find other transferees; the equity transfer agreement shall be negotiated and entered into by transferor and transferee.
- 3.3. Every bankrupt shareholder or trustee, or any person who may intend to sell or transfer any such shares, as well as the personal representative or heir of each deceased shareholder, shall inform the board of shareholders in writing of his intention to sell or transfer such shares. The notice shall be communicated to the board of directors and all shareholders of the Company.

### **4. Capital Change**

- 4.1. In the existence of the Company, no capital increase or share allotment may be

accepted, namely the capital increase or share allotment without the written consent of the shareholders of both parties shall be invalid and deemed as a breach of agreement.

## **5. General Meeting of Shareholders**

### **Notice and Procedures of General Meeting of Shareholders**

- 5.1. Articles 37 to 55 of Table A shall apply, subject to the following amendments thereto:
- 5.2. The general meeting of shareholders is the highest authority of the target company. The members of the general meeting of shareholders shall consist of one person from each of the two parties, and each party shall have one vote. The main responsibilities of the general meeting of shareholders include determining the Company's equity composition and issuance of stocks, bonds and other securities; establishing the financial and asset-related management systems, making decisions on loans, mortgages, guarantees, etc.; determining development strategies and development directions; making decisions on the Company's liquidation, termination and launch of new projects; formulating sales plans of mineral products; formulating profit distribution plans, and making other major business decisions of the Company.

Among them, the development strategies and development directions, the changes of equity (including but not limited to mutual equity transfers between shareholders or their respective transfer of equity to a third party) and the issuance of relevant securities, the Company's liquidation, termination and launch of new projects, the establishment of financial and asset management systems, the loans, mortgages and guarantees as well as the sales of mineral products and profit distribution shall be jointly discussed, determined and approved by the general meeting of shareholders by reaching a written opinion by consensus. Each of the shareholders has a veto, and any unilateral decision shall be invalid;
- 5.3. The general meeting of shareholders, whether ordinary shares or preferred shares, may be held within 7 days with the written consent of all shareholders or without prior notice.

## 6. Director

- 6.1. The Company has **TWO** directors, The directors shall be decided and appointed by their respective shareholders, and the term of office of directors shall be two years. The dismissal and re-appointment of a director shall be unilaterally determined by the shareholder he represents, but shall be formally notified at the general meeting of shareholders.
- 6.2. The following persons shall be the first directors of the Company:
- 1. **TANG ZU ZHENG**
  - 2. **LI XIANG RU**
- 6.3. The quorum of directors handling affairs shall be two. Both directors shall be responsible for the implementation of specific affairs in strict accordance with the relevant resolutions of the general meeting of shareholders. Each of the two directors has his own job responsibilities. The director appointed by TANG ZU ZHENG shall serve as Executive Director and be fully responsible for the operation and management of the target company; the director appointed by LI XIANG RU shall be fully responsible for the Company's selection of mineral rights, exploration of mineral resources, mining geology work, and business work, assist the Executive Director in other relevant work, and supervise all aspects of finance, asset management and production operations.
- 6.4. The directors may propose to convene a meeting of board of directors, and the secretary may propose to convene a meeting of board of directors at the request of directors. Even if one of the directors is not in Tanzania, he may participate in the meeting by video conference or appointment of a representative or by other methods.
- 6.5. During the period when a director is absent from Tanzania or unable to serve as director, the shareholder he represents may appoint another person to serve as his acting director and shall inform other shareholders thereof in writing. In other respects, the acting director shall comply with the Company's existing terms and conditions, exercise and perform all the duties and functions of the director he represents, and assume the corresponding legal liabilities; when the original

director resumes his position or another person is arranged to serve as director, the shareholder he represents shall also inform other shareholders thereof in writing.

- 6.6. A written resolution that has been unanimously agreed and signed by all directors (including acting directors) shall be deemed valid, as if the resolution was passed at a formally convened and formed meeting of board of directors.

### **7. Meeting Minutes**

- 7.1. The board of directors shall arrange for keeping written meeting minutes in the books (kept by the secretary of the board) reserved for this purpose, including
- 7.2. All senior staff appointed by the board of directors;
- 7.3. Names of directors attending each meeting of board of directors and meeting of any committee of board of directors as well as meeting dates;
- 7.4. All resolutions, procedures, voting results, etc. at all meetings of the Company, holders of any class of shares in the Company, the board of directors and the committees of board of directors.

### **8. Secretary**

- 8.1. The secretary shall be appointed and dismissed by the board of directors.

### **9. Amendment and Supplement**

- 9.1. According to the provisions of this Act and the Company's Articles & Memorandum of Association, the Company may make amendment or supplement to the Company's Articles of Association by special resolution. Such amendment or supplement shall be as effective as the original provisions of these Articles of Association, and may be amended by special resolution in the same way.

### **10. Vote of Shareholders**

- 10.1. Subject to any rights or restrictions of any shares or class of shares, each shareholder (as an individual) shall attend a show of hands in person or through

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his duly authorized representative (who may be a director of the Company or a member of the corporation), and each shareholder has one vote in the voting.

10.2. The power of attorney shall be signed in writing by the principal or his representative or a lawyer duly authorized by him in writing. If the principal is a company, it shall be signed by a duly authorized officer or lawyer.

10.3. The power of attorney and any competent authority that executes the power of attorney shall certify the copy of the competent authority naturally or by other means approved by the directors, and shall keep the same at the Company's registered office or in another place in Tanzania as specified for this purpose in the notice of meeting. The period of keeping shall not be less than 48 hours before the person who proposes to vote as referred to in the document holds the meeting or adjourned meeting thereof, or when carrying out the voting, the period of keeping shall not be less than 24 hours before the designated voting time. In case of any problem, the power of attorney shall not be deemed valid.

10.4. When circumstances permit, the power of attorney shall take the following form or an instrument similar thereto:

".....Limited .....

I/we.....of.....,

being.....a Member/members of the above named company,

hereby

appoint.....of.....or

failing him, .....of .....as my/our proxy to vote

for me/us on my/our behalf at the (annual or extraordinary, as the case may be)

general meeting of the company to be held on the.....day

of ....., and at any adjournment thereof.

Signed this.....day of.....2023.

10.5. In case of the in tension to provide shareholders with an opportunity to vote for or against the resolution, the power of attorney shall adopt the following format or a similar format as the circumstances may require:

".....Limited .....

I/we.....of.....,

---

being.....a Member/members of the above named company,  
hereby  
appoint.....of.....or  
failing him, .....of .....as my/our proxy to vote  
for me/us on my/our behalf at the (annual or extraordinary, as the case may be)  
general meeting of the company to be held on the.....day  
of ....., and at any adjournment thereof.

Signed this.....day of .....2023

Unless otherwise instructed, this form will be used to approve/oppose resolution  
(1/2/3, etc.), and the appointed representative will vote or abstain from voting as he  
thinks fit.

- 10.6. The power of attorney shall be deemed as granting of authorization to request or  
participate in the request for vote.

### **11. Seal**

- 11.1. The seal may only be used upon authorization by the board of directors and kept  
by the secretary of the board of directors or a person authorized by the board of  
directors.

### **12. Dividends and Reserves**

- 12.1. According to the provisions of Section 180 of the *Companies Act*, upon resolution  
of the general meeting of shareholders, dividends may be declared in accordance  
with the respective rights of shareholders, but the dividends shall not exceed the  
amount recommended by the board of directors.

### **13. Account Book**

- 13.1. The board of directors shall arrange proper accounting for the following matters:  
13.2. All payments received and paid by the Company and the matters of receipts and  
payments;  
13.3. All goods purchased and sold by the Company;

13.4. Assets and liabilities of the Company;

13.5. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

13.6. The account book shall be kept at the registered office of the Company, or kept at other places deemed appropriate by the directors in accordance with the provisions of Section 151 (4) of the *Companies Act*, and shall be always open to the board of directors for inspection.

13.7. The directors, or authorized representatives of shareholders have the right to inspect any accounting records or other account books or documents of the Company.

13.8. In accordance with the provisions of Sections 153, 155 and 159 of the *Companies Act*, the board of directors shall arrange to prepare the profit and loss statement, balance sheet, cash flow statement, group accounts (if any) and reports mentioned in the aforesaid Sections and submit the same to the Company at the general meeting of shareholders.

13.9. According to Section 163 of the *Companies Act*, a copy of the Company's annual accounts submitted to the Company at a general meeting of shareholders, together with the copies of director's report and auditor's report, shall be delivered to each of the Company's shareholders and each holder of debentures not less than 21 days before the date of meeting. However, these Articles shall not require to deliver the copies of these documents to any person whose address is unknown to the Company or to more than one joint holder of any shares or debentures.

#### **14. Audit**

14.1. Auditors shall be appointed in accordance with Section 170 of the *Companies Act* and their duties shall be regulated.

#### **15. Notice**

- 15.1. The notices issued to or by any person in accordance with these Articles of Association shall be in written form, including but not limited to e-mail, WeChat, express and other written forms. The Company may deliver a notice to shareholders personally or through prepaid mailing in envelope. The address shall be the shareholder's registered address, fax, telephone, e-mail address or other communication method designated by both parties to this Agreement. If the notice is sent by post, the service of the notice shall be deemed to have taken effect through proper address, preparation and mailing of the letter containing the notice, and shall be completed within (seventy-two) hours after the letter containing the notice is mailed. A shareholder whose registered address is not in Tanzania is entitled to receive any notice from the Company if it has provided the Company with its notification address in Tanzania.
- 15.2. The Company may give a notice to joint holders of shares by giving the notice of relevant shares to the joint holders listed first in the register of shareholders.
- 15.3. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorized by the articles, addressed to them by name, or by the sending or delivering it, in any manner authorized by the articles, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within the Tanzania supplied for the purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
- 15.4. A member attending any meeting of the Company or any meeting of the holders of any class of shares in the Company, whether in person or by entrusting other person to attend, shall be deemed to have received the purpose specified in the notice.

## **16. Responsibility**

- 16.1. If a shareholder of a party fails to perform the obligation of capital contribution, the public relation business obligation, the commitment or guarantee obligation, etc., he shall assume the corresponding behavioral liabilities and shall bear all

reasonable expenses incurred by other shareholders for the purpose of the work, including but not limited to attorney's agency fees, business fees, audit fees, transportation fees, meals, boarding and lodging fees as well as all other expenses related to retroactive responsibilities, and shall waive all his rights and interests. In this case, shareholders of the observant party may unilaterally invite new shareholders to join.

### **17. Liquidation**

17.1. In case of the liquidation of the Company, if profits are generated after the Company's asset evaluation is completed and all of the investments (if the cost was reduced upon dividend distribution in the previous period, the calculation shall not be repeated this time) and all the dividends for previous period are fully reduced, TANG ZU ZHENG shall have the right to control 90% profits and LI XIANG RU shall have the right to control 10% profits; if no profit is generated, all of the remaining assets shall be unilaterally controlled by TANG ZU ZHENG .

### **18. Compensation**

18.1. Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 481 of the Act in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

Name, Address and Description of Subscribers	Number of Shares Taken	Signature of Subscribers
TANG ZU ZHENG NO.43 ZHAO DI STREET ,AN LONG DISTRICT,GUI ZHOU ,CHINA	90	唐祖正
LI XIANG RU NO.866 WEILAI STREET,GUAN CHENG DISTRICT, ,ZHENG ZHOU,HE NAN CHINA	10	李向如

Dated at Mwanza this 27<sup>th</sup> day of MAY 2023

WITNESS to the above signatures:

Name: ROSE EDWARDS

Signature: [Handwritten Signature]

Postal Address: 664

Qualification: ADVOCATE

