

## **JOINT VENTURE AGREEMENT**

Entered into by and between

**RED ROCK MINERAL RESOURCE TANZANIA LIMITED**

**AND**

**Mr. MRISHO SAID MASEBU and  
Mr. GAUDENCE ALBERT KALYALYA**

**PROSPECTING LICENCE NO. PL12762/2024**

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## JOINT VENTURE AGREEMENT

This Joint Venture Agreement is entered into on **17 April 2024** by and between:

1. **Red Rock Mineral Resource Tanzania Limited**, a company incorporated under the laws of the United Republic of Tanzania, with a registered office at: Barron House, Plot 71, Block 41, Kinondoni, Dar es Salaam, Tanzania, P.O. Box 8859, duly represented by Mr. **Mohamed Abbas Abu Elaa**, Company Director (Hereinafter referred to as **"Party 1"**);

and

2. **Mr. Mrisho Said Masebu (also known as Said Masebu)** of P.O Box 11578, Mwanza and **Mr. Gaudence Albert Kalyalya** of P.O Box 856, Mwanza and they are duly authorized for the purposes hereof, (hereinafter referred to as **"Party 2"**);

For purposes of this Joint Venture Agreement **"Agreement"**, **"Party 1"** and **"Party 2"** are sometimes collectively referred to as the **"Parties"** and individually referred to as a **"Party"**.

### PREAMBLE:

**"Party 1"** is a company looking to purchase majority shareholding in the **Prospecting Licences (PL)** mentioned in this **"Agreement"** from **"Party 2"** to enter the mining industry in Tanzania.

**WHEREAS "Party 2"**, are individuals engaged in gold mining in Tanzania and has been issued a **Prospecting Licence (PL) Number: PL12762/2024** from the Ministry of Minerals in Tanzania, in the Msasa Area in the Chato/Geita Region, *respectively* as shown in **Annexure A**.

**WHEREAS "Party 1"** has agreed to pay **"Party 2"** an agreed amount as a consideration to complete the purchase of the **Prospecting Licences (PL)**.

**WHEREAS** the PL gives **"Party 2"** an exclusive right to undertake exploration, evaluation and estimates in the area described in the permit.

**WHEREAS "Party 1"**, has the financial capacity, the required expertise, and the manpower to undergo exploration, evaluation, and exploitation of PL in Tanzania.

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WHERE AS the "Parties" are desirous of entering into a "Joint Venture" where "Party 1" will act as a strategical investor and operational partner under the terms and conditions set forth in this "Agreement".

WHEREAS the ownership of the PL mentioned above will be transferred to the "Joint Venture" and the shares of the "Joint Venture/PL" will be allocated between the "Parties" as set forth in this "Agreement".

WHEREAS "Party1" will hold **80%** of the shareholding of the "Joint Venture/PL" and "Party 2" will hold **20%** of the shareholding of the "Joint Venture/PL" as follows:

- Mr. Mrisho Said Masebu will hold **10%** of the shareholding
- Mr. Gaudence Albert Kalyalya will hold **10%** of the shareholding

WHEREAS the "Parties" are desirous to, at this stage, agree to enter in this "Agreement" to ensure expedient negotiation and structure the "Joint Venture".

WHEREAS the Preamble shall form an integral part of this "Agreement".

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

**1 Definitions:**

- 1.1 "Agreement": This Joint Venture Agreement is between "Party1" and Party 2".
- 1.2 "Signature date": Date of signature of this "Agreement"
- 1.3 "Joint Venture": It will be formed between the "Parties" and the ownership of the **Prospecting Licenses** will be transferred to the "Joint Venture".
- 1.4 "Remaining shares": Shares held by "Party 2" other than those held by "Party 1" following the transfer of shares in accordance with **clause 5**.

**2 Object and Nature of The Joint Venture Agreement:**

- 2.1 This "Agreement" shall serve as a binding Agreement between the "Parties", confirming the terms and conditions on which agreement and consensus shall be deemed to have been reached at the "Signature Date".
- 2.2 "Party 1" agrees to invest and to operate the exploration, evaluation, and exploitation of the Licences and "Party 2" agrees to the transfer of shares under the terms and conditions set herein this "Agreement".

**3 Commencement and Duration:**

- 3.1 This "Agreement" shall commence on the "Signature Date" and shall remain of full force and effect until the transfer of shares to "Party 1" subject to clause 4 and clause 5 set forth in the "Agreement".

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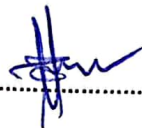
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- 4 **Investment:**
- 4.1 Subject to clause 5, "Party 1" agrees at its own discretion to fully finance the exploration and evaluation of the **PL licence** mentioned hereabove.
- 4.2 The investment shall be subject to the operational needs and to achieve the desired outcome.
- 4.3 The investment shall commence within **3 months** from signing this "Agreement".
- 4.4 Failing this [clause 4.3], "Party 2" reserves the right to market its subsidiary company with alternative investors and eventually to cancel the terms of this "Agreement".
- 4.5 The investment shall consist of all expenditures required to unveil and to measure gold resources within the licences' areas. Such exploration expenditures shall include:
- 4.5.1 Geological and survey works, including trenching and assaying cost.
  - 4.5.2 Drilling and assaying cost.
  - 4.5.3 Logistical cost, accommodation cost.
  - 4.5.4 Professional personnel and labour cost.
  - 4.5.5 Independent resources assessment cost.
  - 4.5.6 Financing of permit maintenance, lobbying and paying government fees.
  - 4.5.7 Administrative cost.
- 4.6 In the event that, additional investment is required, this will be the responsibility of the "Joint Venture" and it shall be proposed to the shareholders accordingly.
- 4.7 In the event that, the results are not concluding for **enough reserve**, "Party 1" reserves the right to stop the investment and operations. In such an event the "Parties" should proceed according to **section 5**.
- 4.8 "Party 1" investment shall cover the costs of initial data review, field assessment, sampling and drilling and any other costs that "Party 1" shall deem necessary for the exploration and/or exploitation of the licences.
- 4.9 The "Parties" agree that once the operations generate profits, the net profits shall be distributed on the basis of the number of shares held by each Party. The number of shares held by each Party will be subject to Clause 5.  
The Net Profit to be shared after deducting:
  - o The OPEX
  - o Government royalties and taxes
  - o The amortisation agreed for CAPEX [as per Clause 4.11]
- 4.10 "Party 2" shall be liable for all taxes that he is liable to before the transfer of ownership to the "Joint Venture". Once the ownership is transferred to "Joint Venture" the taxes shall be the responsibility of both parties to the extent of their share in the "Joint Venture".

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4.11 "Party 1" shall get back all exploration and CAPEX expenditures once the production is started. This will be amortised over a period of 3 Years.

5 **Terms and Conditions:**

5.1 "Party 1" agrees to fully finance the exploration and evaluation of the licenses mentioned above and under the terms and conditions set forth below in this clause 5:

Once "Party 1" deems it right to start exploitation, **80%** of the share capital of "Joint Venture" must be transferred to "Party 1" regardless of the amount invested by "Party 1". The share transfer must take place before the exploitation permit is issued. Then, all capital expenditures to initiate the mining exploitation shall be the responsibility of both parties.

5.2 Notwithstanding, in the event that "Party 1" decides to stop investing into the "Joint Venture" or having not completed its investment after **5 years** from the date of signing of this "Agreement", unless some out of controlled circumstances prevented "Party 1" from continuing the exploration such as any conflicts with locals or artisanal miners or governmental agencies or any matters that are considered as a force majeure, "Party 1" shall transfer shares to "Party 2" on one half pro rata basis of "Party 2" shares of its investment in the "Joint Venture".

5.3 It is agreed between the parties that once the investment started, "Party 1" share in the "Joint Venture" shall be affected by the legal requirement of state ownership and both "Party 1" and "Party 2" agree to comply to the herein requirement by transferring the required shares (**FCI shares**) to the State or entity designated by the State.

5.4 Once the investment and exploration started and reported to "Party 2" by "Party 1" regardless of the exploration results:

5.4.1 "Party 1" shall be entitled to take **80%** share in the "Joint Venture" through the cession of the equivalent shares by "Party 2"

5.4.2 Once the exploitation stage has been reached and the processing stage is deemed viable, any further financing shall be the responsibility of the "Joint Venture".

5.4.3 "Party 1" agreed to pay a consideration fee of **USD 30,000** to "Party 2" once a confirmation of the update request for the PL ownership has been submitted to the relevant authorities and it has been approved.

5.5 "Party 1" shall have the option to buy the remaining shares from "Party 2" or vice versa. The sale and purchase of the remaining shares shall be subject to an evaluation of resources by an independent party, to be approved by both parties.

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- 5.6 "Party 2" shall be responsible for maintaining the permit validity with the Ministry of Mines until the transfer of shares where both parties should be jointly responsible.
- 5.7 "Party 1" shall provide "Party 2" with the technical reports that will be prepared for the submission of quarterly and annual returns to the local administrations.
- 5.8 "Party 1" undertakes to present its proposed work program annually to "Party 2", who will in return provide comments and suggestions to "Party 1".
- 5.9 "Party 1" shall advise "Party 2" of its progress on a quarterly basis.
- 5.10 "Party 2" will, at its own discretion, visit the work, after giving one-week prior notice to "Party 1". This does not include the representative of "Party 2" in the "Joint Venture" as they are considered part of the operating company.
- 5.11 Once the production of Gold starts on the PL, the "Joint Venture" will be responsible for the sale and export of produced Gold in accordance with the local regulations and signed agreement with the State or entity designated by the State.
- 5.12 The term of this "Agreement" is not bounded by a specific timeframe and it is enforced until the termination of the "Joint Venture".

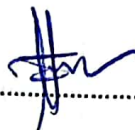
**6 Suspensive Conditions:**

- 6.1 The rights and obligations of the "Parties" under this "Agreement" are subject to and conditional upon the fulfilment of the following **Suspensive Conditions:**
- 6.1.1 "Party 1" performs a satisfactory financial, legal, taxation and commercial due diligence and / or any other investigations or reports determined necessary in its sole and absolute discretion;
- 6.1.2 "Party 2" providing "Party 1" its officers, key employees and professional advisors full access to records, key employees, advisors and operations in order to complete the investigations required;
- 6.1.3 The required approvals and consents are obtained by "Party 2" for the "Joint Venture" and the transfer of capital or any other decision that requires the shareholders' approval;
- 6.1.4 Confirmation that there are no governmental restrictions or objections of any nature to the transfer of shares, and confirmation that all of the licenses held by "Party 2" and all current arrangements with the ministry of Mines and Geology will continue to be valid following the signing of the "Agreement" and the transfer of shares; and
- 6.1.5 Any regulatory, third party or tax consents or approvals which may be required, including competition commission / merger control approval being granted.

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- 6.2 The shareholders warranty that:
- 6.2.1 The shares are free from any encumbrance, charges and liens.
  - 6.2.2 "Party 1" will require "Party 2" to refrain from effecting any material disposals of assets or incurring any material liabilities in the period prior to the signing of the "Agreement" until the transfer of shares in a manner, which is prejudicial to the interests of "Party 1".
  - 6.2.3 "Party 2" shall guarantee the security of the investment of "Party 1" and shall not take any action or inaction that puts the investment of "Party 1" at risk. In the event that "Party 2" or any of their respective employees, representatives, subcontractors, assignors or assignees, during the term of this agreement, puts the investment of "Party 1" at risk, "Party 2" agrees to indemnify "Party 1" for the amount invested by "Party 1".

7 **Exclusivity:**

- 7.1 During the term of this "Agreement" until the transfer of shares of "Party 2" to "Party 1" no shares in the PL shall be sold, assigned, charged or encumbered. "Party 2" shall not, unless notified by "Party 1" in writing, directly or indirectly solicit, consider, approach or accept offers from or engage in discussions, negotiations or dealings with, any third party in connection with the sale of shares or a material part of the business or assets of "Party 2" or any matter or purpose similar thereto. "Party 1" shall have a pre-emptive right to buy the remaining shares of "Party 2". "Party 2" may consider selling the remaining shares only after receiving a written notice from "Party 1".

8 **Governing Law and Disputes:**

- 8.1 This "Agreement" shall be governed and construed in accordance with the laws of The United Republic of Tanzania.
- 8.2 All disputes arising out of or in connection with the Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with the said Rules. The place of arbitration shall be Dar Es Salaam. The language of arbitration shall be English.
- 8.3 The provisions of this clause 8:
- 8.3.1 constitute an irrevocable consent by the "Parties" to any proceedings in terms hereof and none of the "Parties" shall be entitled to withdraw from the provisions of this clause or claim at any such proceedings that it is not bound by this clause or such proceedings;
  - 8.3.2 that are severable from the rest of this "Agreement" and shall remain in effect despite the termination, cancellation, invalidity or alleged invalidity of this "Agreement" for any reason whatsoever.

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- 9 **Breach:**
- 9.1 If any one **Party** is in default of any obligation which arises in terms of this **"Agreement"** ("the **Defaulting Party**") and such **Defaulting Party** persists in such failure or default after receipt of a written notice given by the other **Party** ("the **Aggrieved Party**") calling upon the **Defaulting Party** to remedy such failure or default within a period of **14 (fourteen) Business Days** from receipt of the notice or such further additional period as the **Aggrieved Party**, in its sole but reasonable discretion may determine, then the **Aggrieved Party** may without prejudice to any other rights which it may have in terms hereof or at law:
- 9.1.1 Claim specific performance and damages; or
- 9.1.2 Cancel this **"Agreement"** and claim damages.
- 9.1.3 If a provision of this **"Agreement"** is or becomes invalid or unenforceable in any jurisdiction that shall not affect the validity or enforceability of any other provision of this **"Agreement"**.

10 **Miscellaneous:**

10.1 **Domciliation and Notices**

Any notice, claim, demand or other communication required or permitted to be given pursuant to or in connection with this **"Agreement"** shall be given in writing, in the English language and shall be sent to the relevant **"Party"** at the address set forth below (or at such other address as may from time to time be notified to the other Party) by registered mail or hand delivery or email mail (provided that in respect of e-mail transmission the recipient shall have acknowledged receipt of such e-mail transmission):

**If to "Party 1" to:**

Barron House, Plot 71, Block 41, Kinondoni – Dar es Salaam, Tanzania, P.O. Box 8859. Email: [m.abdulrahim@faalinternational.com](mailto:m.abdulrahim@faalinternational.com) and [s.patrick@faalinternational.com](mailto:s.patrick@faalinternational.com)

To the attention of **Mr. Mohammed Abdulrahim and Mr Salum Patrick**

**If to "Party 2" to:**

MRISHO SAID MASEBU

P.O Box 11578

Mwanza

Email: [mmasebu@gmail.com](mailto:mmasebu@gmail.com)

To the attention of **Mr. Mrisho Said Masebu**

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10.2 **Whole agreement and non-variation**

This **"Agreement"** constitutes the entire agreement between the **"Parties"** and supersedes and cancels in all respects all previous agreements, arrangements, and undertakings (whether in writing or otherwise), if any, between the **"Parties"** as to the subject matter of this **"Agreement"**.

No amendment, interpretation or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by the Parties to this Agreement. In the event any one or more of the provisions contained in this Agreement shall be for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but such Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein and the Agreement shall be carried out as nearly as possible according to its original terms and intent.

10.3 **Confidentiality and Publicity**

The **"Parties"** shall respect and keep confidential all information shared in any form possible to the other party. Confidential information can only be disclosed upon prior notice by the other party. The Parties agree to keep confidential the content of this **"Agreement"**.

10.4 **Good Faith**

The **"Parties"** agree that they enter into this **"Agreement"** on the basis of trust and record that they will observe good faith in contracting and dealing with each other and implementing the provisions hereof. This implies, inter alia, that:

- the **"Parties"** will at all times during the currency of the **"Agreement"** act reasonably and in good faith; and
- the **"Parties"** will perform their obligations arising from this **"Agreement"** diligently and with reasonable care.

10.5 **Waiver**

No waiver of any of the terms and conditions of this **"Agreement"** will be binding for any purpose unless expressed in writing and signed by the **"Party"** giving the same, and any such waiver will be effective only in the specific instance and for the purpose given. No failure or delay on the part of any **"Party"** in exercising any right, power or privilege will operate as a waiver, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

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10.6 **Non-assignment**

Each "Party" shall not assign or transfer, in whole or in part, any of its rights and/or obligations hereunder to any third party without the prior written consent of the other "Party".

10.7 **Costs**

Each "Party" shall bear his / her / its own costs / fees incidental to the drafting, negotiating and registering of this "Agreement".

10.8 **Counterparts**

This "Agreement" may be executed in 4 each of which will constitute one and the same instrument.

IN WITNESS WHEREOF, the "Parties" have duly executed this "Agreement" on the day and year first above written.

DELIVERED and SEALED a DUBAI  
BY THE COMMON SEAL OF  
RED ROCK MINERAL RESOURCE  
TANZANIA LIMITED  
This 17<sup>th</sup> day of April 2024.



(Party1)

IN THE PRESENCE OF  
NAME: MOHAMED ABBAS ABU ELAA  
ADDRESS: P.O BOX 8859 Dar es Salaam  
Designation: DIRECTOR

(Signature)

(WITNESS)  
NAME: MOHAMMED ABDULRAHIM  
ADDRESS: P.O BOX 8859 Dar es Salaam  
Designation: DIRECTOR

(Signature)

SIGNED and DELIVERED at MWANZA  
By MRISHO SAID MASEBU  
Who is known to me to me  
The latter being known to me  
personally in my presence  
This 17<sup>th</sup> day of April 2024.

(Party 2)

**IN THE PRESENCE OF**

**Name: GAUDENCE ALBERT KALYALYA**

**Address: P.O.Box 856,Mwanza.**

**Designation: Party to the "AGREEMENT".**

  
.....  
**(Signature)**

**(WITNESS)**

**NAME: KESSY NGAU.**

**ADDRESS:P.O BOX 21058, Dar es Salaam.**

**POSITION:ADVOCATE,NOTARY PUBLIC**

  
.....  
**(Signature)**



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