

Dated this day of..... 2024

LEASE AGREEMENT

BETWEEN

GG SABA MINING COMPANY

AND

GUANGTANSHENG INVESTMENT COMPANY LIMITED

Drawn by:

Goldmark Attorneys,
Advocates,
Plot No. 13 Block "L",
Mbeya Avenue, Uhindini,
P.O.Box 1605,
DODOMA.

LEASE AGREEMENT

This Lease Agreement is made this ^{26th} day of ^{March} 2024

Between

GG SABA MINING COMPANY a legal entity incorporated under the Companies' Act Cap 212 of the laws of Tanzania with its address of P.O. Box 889 NJOMBE, Tanzania (Hereinafter called the "Lessor" (Licence Holder) on the one **HAND**.

And

GUANGTANSHENG INVESTMENT COMPANY LIMITED a legal entity incorporated under the Companies' Act Cap 212 of the laws of Tanzania with its address of P.O. Box 1239 Dar es Salaam, Tanzania (Hereinafter called the "Lessee") on the other **HAND**.

WHEREAS, The Lessor holds Ten (10) mining licenses for carrying out mining business of quarrying of pebbles on the area located in Muungano Village, Chamwino District within Dodoma Region.

AND WHEREAS, The Lessor has agreed to grant the Lessee a lease in respect of the Ten (10) mining licenses for carrying out mining business of quarrying of pebbles mining work at the said mining site.

AND WHEREAS The lessee is desirous of leasing from the lessor the aforementioned Ten (10) mining licenses for carrying out mining business of quarrying of pebbles mining work only subject to terms and conditions laid down in this agreement.

NOW THIS AGREEMENT WITNESSETH as follows:

1. Lease

In pursuance of the said agreement, the Lessor shall lease to the Lessee and the Lessee shall take on lease of the Ten (10) mining Licenses held by the lessor for carrying out mining business of quarrying of pebbles on the area located in Muungano Village, Chamwino District within Dodoma Region. The said Ten (10) Licenses subject to this lease agreement are numbered as **PML-3984DOM, PML-3985DOM, PML-3986DOM, PML-3987DOM, PML-3988DOM, PML-3989DOM, PML-3990DOM, PML-3991DOM, PML-3992DOM** and **PML-3993DOM**.

2. Commencement and Duration

In pursuance of the said agreement, the Lessor shall lease to the Lessee and the Lessee shall take on lease of the Ten (10) mining Licenses held by the lessor for carrying out mining business of quarrying of pebbles for the period of Five (5) years commencing from **1st March, 2024** up to **1st March, 2029**.



3. Payment

- a. The lessee shall pay the lessor Tanzanian Shillings Four Thousand Only, (Say TShs. 4,000/=) per cubic meter of pebble produced and sold daily on-site mining as a rent for the leased ten licences. This amount of rent shall be paid during period when the electricity is generated using generator, but once TANESCO electricity is obtained the payment will increase to Tanzanian Shillings Five Thousand Only, (Say TShs. 5,000/=) per cubic meter.
- b. That, the parties herein have agreed that payments of rent shall commence from 1st May, 2024 in exclusion of the months of March and April as the two months will be used by the lessee to import machines to be used in operation of mining business.
- c. That, the lessee shall pay the lessor Tanzanian Shillings Thirty Million Only, (Say Tshs. 30,000,000/=) as advance payment of the rent which shall be deducted from the rent to be paid to the lessor by lessee upon commencement of payment of rent as stated under **clause 3(b)** above.
- d. The parties have agreed that the above rent payments shall be paid monthly upon calculating total produced and sold products from the mining site, an amount which shall be paid every month upon the execution of this agreement through the following Bank Account.

Bank: NMB

Account Name: BARAKA SHOMARI ARANGA

Account Number: 53110005147

4. Lessor's Warranties and Representations

The Lessor warrants and represent to the Lessee that he is the legal holder of the Ten (10) mining licences and that he is legally capable and duly authorised to possess the mining site for mining operations and hence enter into this Lease and perform all the obligations set out herein. The Lessor further warrants and assures the Lessee that the Lessee shall enjoy peaceful possession of the mining site without any interference from the lessor or any person claiming for, under, or, in trust for him and that he shall keep the Lessee free and harmless from any demand, claim, action, or proceeding by any other party in respect or arising out of this Lease, however the Lessee shall be liable for all claims, demands, actions or proceedings arising from the conducts of her personnel who will be residing and working within the mining site.

5. Lessee's Right and Obligations

The Lessee **HEREBY COVENANTS** with the Lessor as follows:

- a. To pay the reserved rent at the time and in the manner herein provided;
- b. To allow the Lessor and/or his agents at all reasonable times to enter upon the mining site for inspection;



- c. Not to do or permit to be done anything in or upon the mining site or any part thereof which may be or become a nuisance, annoyance, damage or inconvenience to the Lessor, occupiers of adjoining area or the neighbourhood;
- d. Not to use the mining sites or any part thereof for any illegal or immoral purpose;

6. Lessor's Rights and Obligations

The Lessor HEREBY COVENANTS with the Lessee as follows:

- a. Subject to the Lessee performing all the covenants herein specified, not to interfere or allow other person rightfully claiming under or in trust for the Lessor to interfere, interrupt or intrude upon the Lessee's peaceful enjoyment of the mining site throughout the said terms;

7. General Terms and Conditions

It is hereby provided always and it is hereby expressly agreed by both parties and declared as follows:

- a. The lessor will independently seek, employ and pay salaries to employees/workers who be in charge for calculating and verifying daily sales data of pebbles mining for the lessor. The personnel who shall not interfere with the production and life of on-site personnel and are obliged to assist and solve problems for the lessee.
- b. That, the lessor is responsible for providing all necessary licences and permits for mining operations and establishing good working relationships with government departments, local leaders, and villagers near the mining area.
- c. That, the products produced by the Lessee will be sold and proceeds will be paid according to the proportion of this agreement after the sale as per Clause 2 above of this agreement. And if the lessee fails to pay the aforementioned amount in any month, the lessee will pay double the due amount agreed in this agreement as compensation.
- d. That, the lessor will be responsible for land levelling, drilling wells, constructing water facilities, sourcing electricity from Tanzania Electric Supply Company (TANESCO), meetings/ sessions, This includes but is not limited to handling, environmental reports (EIA), and meeting with rural/ local leaders, Cost for such activities undertaken by the lessor hereinabove shall be financed by the lessee, such finance will be deducted from the monthly rent to be paid to the lessor as agreed herein and shall be deducted by monthly instalments for the period of five years.
- e. That, the lessee will be responsible for all costs of the production/performance of pebbles on-site and government mining levy, the GOVERNMENT POSE MACHINE RECEPTS which will be used to record meter cubic of materials taken from the site and government levy will be registered by the name of GG SABA MINING. And if there is a conflict



between the sales numbers recorded on-site and the government mining levy records, the government mining levy figures shall prevail.

- f. That, by signing this lease agreement, the Lessor acknowledge receipt of advance payment of rent to the tune of Tanzania Shillings Thirty Million Only, (say TZS. 30,000,000.00/=) from the lessee.
- g. That, after signing this agreement the lessee shall commence production not more than 1st June 2024, and if he fails to do so, the lessor may be at liberty to cancel the contract, and therefore the lessor will be free to sign contract with other interesting parties.
- h. Should either party to this agreement desire to terminate lease at any time during subsistence of this agreement, shall give two (2) months' notice in writing to signifying such intention;
- i. In case the agreement is renewable after the expiry date, the Lessee and the Lessor will negotiate again the rent amount and other terms of contract.

8. Dispute Resolution

Any dispute or difference whatsoever which shall at any time hereafter whether during the continuance of the lease or upon or after its discharge or determination arise between the parties hereto touching or concerning this lease or its construction or effect or as to the right, duties or liabilities of the parties hereto or any of them under or by virtue of this lease or otherwise or as to any other matter touching on the lease shall be resolved amicably by way of mediation as a first alternative failure of which either party will be at liberty to refer the dispute before a competent court of law.

9. Interpretation of the contract

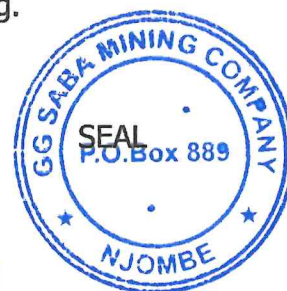
This contract shall be interpreted and determined under the laws of the United Republic of Tanzania.

IN WITNESS WHEREOF the parties have hereunto executed these present on the manner and on the days and year hereinafter appearing.

SEALED with the **COMMON SEAL**

of the said **GG SABA MINING COMPANY**

In our Presence this 26th day of March 2024

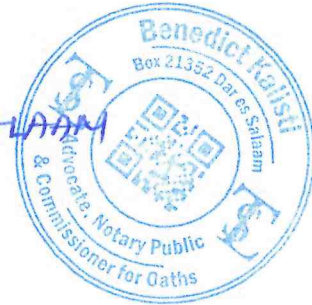


FULL NAME: BARAKA SITUMBEI BARABIGA
SIGNATURE: Baradiga
POSTAL ADDRESS: P.O. Box 889 NJOMBE
QUALIFICATION: DIRECTOR

Baradiga

BEFORE ME:

FULL NAME: BENEDICT KALISTI
SIGNATURE: [Signature]
POSTAL ADDRESS: 21352 DAR ES SALAAM
QUALIFICATION: ADVOCATE



SEALED with the **COMMON SEAL**
of the said **GUANGTANSHENG INVESTMENT**
COMPANY LIMITED

In our Presence this 26th day of March, 2024
FULL NAME: QUAN ZHENG

SIGNATURE: [Signature]
POSTAL ADDRESS: P.O. Box 75224 DAR ES SALAAM
QUALIFICATION: DIRECTOR



BEFORE ME:

FULL NAME: SOSTEN MBEDULE
SIGNATURE: [Signature]
POSTAL ADDRESS: P.O. Box 75224
QUALIFICATION: ADVOCATE



[Signature]