

**CONSENT TO TRANSFER MINING LICENCE**

I, George B. Simbachawene (MP), the Minister for Energy and Minerals, pursuant to Section 9(2) of the Mining Act, 2010 hereby consent the transfer of **75%** shares under the Mining Licence No.ML **532/2014** from M/S **SADOFI SHAKAMA** to M/S **PU BO MINING LIMITED**.

The foregoing transfer has been duly recorded on terms and conditions contained in the above **Mining Licence**.

**IN WITNESS WHEREOF** this consent to transfer shares under the Mining Licence has been duly issued and recorded

this.....*30<sup>th</sup>*.....day of.....*January*.....2015.



George B. Simbachawene (MP)  
**MINISTER FOR ENERGY AND MINERALS**

## CONVERSION OF PRIMARY MINING LICENCES TO MINING LICENCE


I, **Prof. Sospeter M. Muhongo (MP)** the Minister for Energy and Minerals, pursuant to the powers conferred upon me under Section 58 of the Mining Act, 2010; hereby convert Primary Mining Licences No.0009112 and 0009113 held by M/S Sadofi Shakama of P. O. Box 293, Singida -Tanzania to Mining Licence No. **ML 532/2014** for a period of **ten (10)** years from the date of grant.

The description of the Mining Licence area is provided in Annex A.

This Mining Licence over the Licence Area confers on the Licensee the exclusive right to search for, mine, dig, crush, process, transport, use or market **Gold** in and vertically under the said specified part of the Licence Area and execute such other works as are necessary for that purpose.

**IN WITNESS WHEREOF**, this conversion is granted

this.....09..... day of OCTOBER.....2014

  
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**Prof. Sospeter M. Muhongo (MP)**  
**MINISTER FOR ENERGY AND MINERALS**

## ANNEX A

## DESCRIPTION OF THE LICENCE AREA

Subject to Section 95 of the Mining Act, 2010 the Licence is at **Tumuli** area in **Mkalama** District, QDS 102/1 defined by lines of latitude and longitude having the following corner coordinates (Arc 1960):

Order	Lat Deg	Lat Min	Lat Sec	Long Deg	Long Min	Long Sec
1	- 04	31	57.36	34	34	00.90
2	- 04	31	59.78	34	34	17.53
3	- 04	32	12.64	34	34	15.67
4	- 04	32	09.89	34	34	00.10



Legend	
Licensed boundary	
Licence Code	MI 532/2014
District	Mkalama
Direction	

An area of approximately 0.20 Square Kilometres.

**CLAUSE 1**  
**CONDITION OF GRANT**

- 1.1 This Mining Licence is granted subject to the provisions of the Mining Act, 2010 and the regulations thereunder and the conditions set out or referred to herein.

**CLAUSE 2**  
**TENURE**

- 2.1 This Mining Licence, unless sooner terminated, cancelled or surrendered, shall remain in force for a period of ten years from the date of grant.

**CLAUSE 3**  
**METHOD OF OPERATIONS**

- 3.1 During the term of this Mining Licence, the Licensee shall carry out the programme of mining operations in accordance with the approved Mining Plan and as may be amended from time to time and fulfil obligations hereunder and shall have full responsibility and assume the risks thereof.
- 3.2 The Licensee shall take all reasonable steps necessary to secure the safety, health and welfare of persons engaged in the operations in or about the Mining Licence Area, and ensure safety of properties in accordance with the governing laws of Tanzania.




**CLAUSE 4**  
**ENVIRONMENTAL MANAGEMENT**

- 4.1 During the term of this Mining Licence, the Licensee shall be responsible for protection and management of the environment within the Mining Licence Area in accordance with the Environment Management Act and the approved Environmental Management Plan as may be amended from time to time.

**CLAUSE 5**  
**COMMENCEMENT OF MINE DEVELOPMENT AND PRODUCTION**

- 5.1 Before commencement of the mining operations, the Licensee shall ensure the proposed plan for relocation, resettlement of, and payment of compensation to people within the mining areas is implemented in accordance with the Land Act.
- 5.2 The Licensee shall commence development work within three (3) months from the date of grant of the Mining Licence, or such further period as may be agreed by the Minister, on the basis of plans, general design for the mine and related facilities and ancillary operations consistent with the approved Mining Plan.
- 5.3 The Licensee shall commence regular production from the Mining Licence Area within a period of eighteen (18) months from the date of grant or within such further period as may be agreed by the Minister.

**CLAUSE 6**  
**PROCUREMENT OF GOODS AND SERVICES**

- 6.1 The Licensee shall procure goods and services available in the United Republic of Tanzania in accordance with the approved procurement plan.
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**CLAUSE 7**

**EMPLOYMENT, TRAINING AND IMPLEMENTATION OF  
SUCCESSION PLAN**

- 7.1 The Licensee and their contractors shall employ and train Tanzania citizens with appropriate qualifications to the maximum extent practicable and consistent with efficient mining operations. In this connection, the Licensee shall carry out an effective scheme of employment and training for Tanzanian employees at all levels of operations and management in accordance with the approved Employment and Training Programme as may be amended from time to time and approved by the Minister.
- 7.2 The Licensee shall implement succession plan on expatriate employees in accordance with the Employment and Labour Relations Act as may be amended from time to time.
- 7.3 Subject to Clause 7.1 and to the requirements of any law relating to immigration, the Licensee and his contractor(s) may bring into Tanzania such expatriate employees whose expertise is not locally available at such material time and as in the Licensee's or its contractor's judgement are required to carry out mining operations efficiently and successfully.
- 7.3 Subject to Clause 7.2, the Licensee and his contractor(s) shall not be restricted in employment, selection, assignment or discharge of his employees provided that the employment and the terms and conditions of such employment are non - discriminatory.



## SALE AND PURCHASE AGREEMENT

THIS AGREEMENT is made this 1<sup>st</sup> day of May, 2015

Between

**SADOFI SHAKAMA** of P.O. Box 293, Singida, (hereinafter referred to as the "VENDOR") of the one part

And

**PU BO MINING LIMITED** of P.O. Box 18627, Dar es Salaam (hereinafter referred to as the "PURCHASER") of the other part

### WHEREAS:

The VENDOR is the rightful owner of the MINING LICENCE No. 532/2014;

And

### WHEREAS:

The VENDOR has agreed to sell the above named MINING LICENCE to the PURCHASER who agreed to buy the said Mining Licence at the price of shillings three hundred and fifty million [Tshs. 350,000,000.00] only upon the terms and conditions hereinafter mentioned.

THIS AGREEMENT WITNESSES and the parties agree as follows: -

1. The selling price is shillings three hundred and fifty million [Tshs. 350,000,000.00]. Shillings one hundred twenty nine million four hundred thousand [Tshs. 129,400,000.00] has already paid and the remaining sum of shillings two hundred and twenty million, six hundred thousand [Tshs. 220,600,000.00] will be paid in three installments as follows: -
  - i. Tshs. 100,000,000.00 shall be paid on 01/05/2015.
  - ii. Tshs. 100,000,000.00 shall be paid next week.
  - iii. Tshs. 20,600,000.00 shall be paid after the handover of the Mining site at Tumuli to the PURCHASER who will take full possession.
2. The PURCHASER has paid the VENDOR the sum of shillings one hundred twenty nine million four hundred thousand [Tshs. 129,400,000.00] only and by signing this agreement the VENDOR acknowledge that the said amount was paid

3. That the remaining sum of shillings two hundred twenty million six hundred thousand [Tshs. 220,600,000.00] shall be paid as per clause 1 (i), (ii) & (iii) above
4. The VENDOR hereby declares and verifies that he is the owner of the Mining Licence and indemnifies the PURCHASER against all claims arising in connection with this agreement.
5. The VENDOR shall handover to the PURCHASER MINING LICENCE to PU BO MINING LIMITED without any encumbrance and liability.
6. This is actual Agreement between the parties. PU BO MINING LIMITED is the owner of 100% of the MINING LICENCE No. 532/2014. Hence, the application lodged in the Ministry of Energy and Mining that SADOFI SHAKAMA own 25% was only for the purposes of transfer and not real contract between the parties.

IN WITNESS WHEREOF the parties hereto have duly executed these presents on the days and in the manner hereinafter appearing:-

**SIGNED** and **DELIVERED** on behalf of **SADOFI SHAKAMA** by **MANENO KONDO SALUM** who is known to me / identified to me by ..... the latter being known to me personally in my presence this 26 day of S ..... 2015

*Maneno Kondo Salum*

**SADOFI SHAKAMA**  
[VENDOR]

**Before me:**

**Signature:** ..... *F. Mjaya* .....

**Full Name:** F. MJAYA .....

**Qualifications:** ..... *RESIDENT MAGISTRATE* .....

**SIGNED** and **DELIVERED** on behalf of **PU BO MINING LIMITED** by **RIGUANG FU** authorized agent under Power of Attorney who is identified to me by ..... the latter being known to me personally in my presence this 26 day of S ..... 2015

*Riguang Fu*

**PU BO MINING LIMITED**  
[PURCHASER]

**Before me:**

**Signature:** ..... *F. Mjaya* .....

**Full Name:** F. MJAYA .....

**Qualifications:** ..... *RESIDENT MAGISTRATE* .....