

THE COMPANIES ORDINANCE

(CAP. 212)

COMPANY LIMITED BY SHARES

# Memorandum

and

# Articles of Association

of

EAST LUPA GOLDFIELDS LIMITED

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Incorporated this 25 day of April 1996

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DRAWN BY:

MARANDU & COMPANY  
(ADVOCATE)  
P.O. BOX 4000  
DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA



Certificate of Incorporation

No.

**I HEREBY CERTIFY THAT**

**EAST LUPA GOLDFIELDS LIMITED.**

is this day incorporated under the Companies Ordinance (Cap. 212)  
and that the Company is Limited.

GIVEN under my hand at Dar es Salaam, this                      day of

One Thousand Nine Hundred and Ninety Six



Registrar of Companies

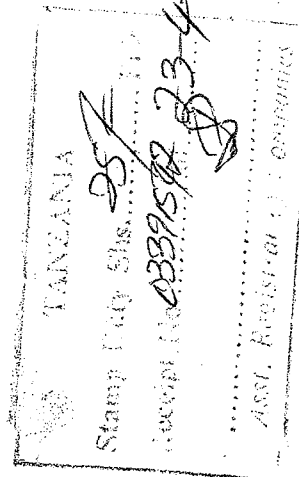
THE COMPANIES ORDINANCE (CAP 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

EAST LUPA GOLDFIELDS LIMITED



1. The name of the Company is **EAST LUPA GOLDFIELDS LIMITED**.
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
  - (a) To purchase, take on lease, or otherwise acquire, any mines, mining rights, and metalliferous land, and any interest therein, and to explore, work, exercise, develop, and turn to account the same.
  - (b) To crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market, ore, metal, and mineral substances of all kinds, and to carry on any other metallurgical operations which may seem conducive to any of the Company's objects.
  - (c) To acquire gold mines, mining rights and auriferous land in Tanzania or elsewhere, and any interest therein.
  - (d) To search for win quarry, reduce, amalgamate, dress refine and prepare for market, auriferous quarts and ore, and other mineral substances (whether auriferous or not) and precious stones, and generally to carry on any metallurgical operations which may seem conducive to any of the Company's objects.
  - (e) To buy, sell, refine and deal in bullion, specie, coin and precious metals.
  - (f) To buy, sell, manufacture, and deal in minerals, plant, machinery, implements, conveniences, provisions, and things capable of being used in connection with metallurgical operations, or required by workmen and others employed by the Company.
  - (g) To buy, sell, import, manipulate, prepare for market, and deal in merchandise of all kinds, and generally to carry out on business as merchants, importers, and exporters.

- (h) To build, construct, alter, maintain, enlarge, pull down, remove or replace, and to work, manage and control, and superintend any buildings, offices, factories, mills, shops, machinery, engines, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, aqueducts, wharves, furnaces, electrical works, warehouses and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute to, subsidise, or otherwise aid or take part in any such operations.
- (i) To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents patent rights, brevets d'invention, trade marks, designs, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon or improving any such patents, inventions or rights.
- (j) To purchase, lease, exchange, hire, sell, mortgage or otherwise deal in any movable or immovable property in Tanzania or elsewhere for any estate or interest whatsoever, and any rights, privileges or easements over or in respect of any property, and any buildings, plant, machinery, equipment, or things whatsoever, to undertake or direct the management of the property buildings, lands mines quarries and estates (of any tenure or kind) of the Company or to join with others in doing so and to transact on commission or otherwise the general business of a land agent.
- (k) To acquire from any sovereign, state, or authorities any concessions, grants, decrees, rights, powers and privileges whatsoever, which may seem to the Company capable of being turned to account, and to work, develop, carry out, exercise and turn to account the same.
- (l) To develop the resources of and turn to account any lands and any rights over or connected with land belonging to or in which the Company is interested, and in particular by cleaning, draining, fencing, planning, cultivating, building, building, improving, farming, irrigation, grazing and by promoting immigration and emigration and the establishment of towns, villages, and settlements.

- (m) To carry on business as bankers, capitalists, financiers, concessionaires, and to undertake, carry on, and execute all kinds of financial, commercial, trading, and other operations, and to carry on any other business which may seem to be capable of being conveniently carried on in connection with any of these objects, or calculated, directly or indirectly to enhance the value of, or facilitate the realisation of, or render profitable, any of the property or rights of the Company.
- (n) To advance, deposit or lend money, securities, and property, to, or with such persons and on such terms as may seem expedient, to discount, buy, sell, and deal in bills, notes, warrants, coupons, and other negotiable or transferable securities or documents.
- (o) To guarantee or become liable for the payment of money or for the performance of any obligations, and generally, to transact all kinds of guarantee.
- (p) To subscribe for, conditionally or unconditionally, to underwrite, issue on commissions or otherwise, take, hold, deal in, and convert, stocks, shares, and securities of all kinds, and to enter into partnership, or into any arrangement for sharing profits, union of interest, reciprocal concessions or co-operation with any person, partnership or company, and to promote, and aid in promoting, constitute, form or organise any company, syndicate or partnership of any kind, for the purpose of acquiring and undertaking any property and liabilities of this Company, or of advancing, directly or indirectly, the objects thereof, or for any other purpose which the Company may think expedient.
- (q) To improve, manage, develop, grant rights or privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.
- (r) To vest any real or person property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- (s) To invest and deal with the moneys of the Company not immediately required in any manner.
- (t) To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the payment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar

mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company as the case may be.

- (u) To draw, make, accept, indorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (v) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures, or other securities of the Company.
- (w) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or where at any time in the employment or service of the Company or of any other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well being of the Company or of any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
- (x) To procure the Company to be registered or recognised in any part of the world outside the United Republic of Tanzania.
- (y) To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, stock, debentures, or other securities of any other company whether or not having objects altogether or in part similar to those of the Company.
- (z) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

- (aa) To act as agents or brokers and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with others, and either by or through agents, sub-contractors, trustees or otherwise.
- (bb) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

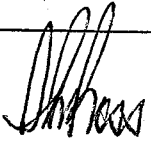
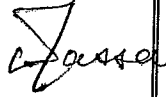
And it is hereby declared that:-

The word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate, and whether domiciled in The United Republic of Tanzania or elsewhere, and

The objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in no wise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

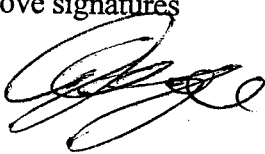
- 4. The Liability of the members is limited.
- 5. The capital of the Company is Shillings 200,000,000.00 divided into 2000 shares of Shillings 100,000.00 each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses, and Description of Subscribers.	Number of Shares taken by each Subscriber	Signature
1. Tanganyika Gold Limited, Business Company P. O. Box 2475. <u>DAR ES SALAAM.</u>	1	
2. Ernest Saronga Massawe, Businessman, P. O. Box 2475, <u>DAR ES SALAAM.</u>	1	
Total Shares Taken	2	

Dated the 22nd day of APRIL 1996

Witness to the above signatures

  
 Signature: ..... James Legge

Postal Address: P.O. Box 2475

Dar. es Salaam

Qualification: Chartered Accountant

Drawn By:

Marandu And Company,  
 Advocates,  
 Samora Avenue,  
 P. O. Box 4000,  
 DAR ES SALAAM.

TINNEVER  
Stamp Duty  
50/-  
M.C.O. ON COMPANIAL  
Receipt No. DB391578, 23-4-96  
Stamp Duty Officer

THE COMPANIES ORDINANCE (CAP 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

EAST LUPA GOLDFIELDS LIMITED

Stamp Duty 40/-  
Receipt No. DB391578, 23-4-96  
Asst. Registrar of Companies

PRELIMINARY

1. The Company is registered as a private company, and accordingly:-
  - (a) The right to transfer shares is restricted in the manner hereinafter provided.
  - (b) The number of members of the Company (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment of the Company were while in such employment and have continued after determination of such employment to be members of the Company) is limited to fifty. Provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this article be treated as a single person.
  - (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
  - (d) The Company shall not have power to issue share warrants to bearer.
2. Table A in the first schedule to the Companies Ordinance shall not apply to this Company.
3. In these Articles, unless the context otherwise requires, expressions defined in the Companies Ordinance or any statutory modification thereof in force at the date of which these articles become binding on the Company, shall have the meaning so defined; and words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

4. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the directors may deem it expedient not to commence or proceed with such branch or kind of business.
5. The registered office of the Company shall be at such place as the directors shall from time to time appoint.

### CAPITAL

6. The capital of the Company is Shillings 200,000,000.00 divided into 2000 shares of Shillings 100,000.00 each.

### SHARES

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the capital of the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.
8. Subject to the provisions of section 47 of the Companies Ordinance (Cap 212), any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of this articles relating to general meetings shall *mutandis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy on-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

11. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to one certificate under the common seal of the Company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
12. If a share certificate is defaced, lost, or destroyed, it may be renewed on payment of such fee, if any, not exceeding one hundred shillings, and on such terms, if any, as to evidence and indemnity as the directors think fit.

### LIEN

13. The Company shall have a lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
14. The Company may sell, in such manner as the directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or bankruptcy to the share.
15. For giving effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchaser money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16. The proceeds of sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall be held (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) by the Company on behalf of the person entitled to the shares at the date of the sale.

## CALLS ON SHARES

17. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on his shares. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. If a sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at bank rate prevailing from time to time from the day appointed for payment thereof to the time of the actual payment, but the directors shall be at liberty to waive payment of the interest wholly or in part.
20. The provisions of these articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
21. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
22. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the Company in general meeting, the bank rate existing from time to time as may be agreed upon between the member paying the sum in advance and the directors.

## TRANSFER AND TRANSMISSION

23. Subject to the provisions hereinafter contained shares in the Company shall be transferable by written instrument in the common form signed by both the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

24. The directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of shares to any person of whom they do not approve not being already a member of the Company and may also decline to register any transfer of shares on which the Company has alien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer unless:-
- (a) A fee not exceeding shillings two hundred and fifty is paid to the Company in respect thereof; and
  - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

25. The personal representatives of a deceased sole holder of a share shall be the only persons recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the personal representatives of the deceased survivor, shall be the only persons recognised by the Company as having any title to the share.
26. any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of a share as the deceased or bankrupt person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
27. Except as hereinafter provided no share in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
28. Every member or other person referred to in article 26 hereof who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the board of his intention. The notice shall constitute the board his agent for the sale of the said shares in one or more lots at the discretion of the board to members of the Company at a price to be agreed upon by the vendor and the board, and in default of agreement, at a price which the auditor of the Company for the time being shall certify, by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.

29. Upon the price being fixed as aforesaid the board shall forthwith give notice to all the members of the Company other than holders of employees' shares of the number and price of the shares to be sold and invite each of them to state in writing within twenty-one days from the date of the said notice whether he is willing to purchase any, and if so, what maximum number, of the said shares.
30. At the expiration of the said twenty-one days the board shall allocate the said shares to or among the member or members who shall have expressed his or their willingness to purchase as aforesaid, and (if more than one) so far as may be pro rata according to the number of shares already held by them respectively, provided that no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid. Upon such allocation being made the vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he make default in so doing the chairman for the time being of the directors of the Company or failing him one of the directors duly nominated by resolution of the board for that purpose shall forthwith be deemed to be duly appointed attorney of the vendor with full power to execute complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing member and the board may receive and give a good discharge for the purchase-money on behalf of the vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.
31. In the event of the whole of the said shares not being purchased under article 28 the vendor may, at any time within six calendar months after the expiration of the said twenty-one days, transfer the shares not sold to any person (subject to article 17) and at any price.
32. Articles 25, 26, 27, 28 and 29 hereof shall not apply to a transfer to a person who is already a member of the Company, nor to a transfer merely for the purpose of effecting the appointment of new trustees, nor to a transfer by personal representatives to a legatee under the will of, or to the husband, wife or next of kin of, a deceased member, nor to a transfer by a trustee to a beneficiary, provided that it is proved to the satisfaction of the board that the transfer bona fide falls within one of these exceptions.

#### **FORFEITURE OF SHARES AND EXPROPRIATION OF SMALL HOLDINGS**

33. If a member fails to pay any call or instalment of a call, on the day appointed for payment thereof, the directors may at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

34. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect and such forfeiture shall extend to any dividends in respect of any share so forfeited not actually paid at the date of the said notice.
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
37. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of the forfeiture, were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receive payment in the full of the nominal amount of the shares.
38. The holders for the time being of four-fifths of the issued shares in the Company shall be entitled at any time to purchase ex dividend all or any of the shares held by any member of the Company at a price equal to the sum paid up thereon and upon the tender of that price by the holders of four-fifths of the issued shares to any other member for the shares held by him that member shall execute transfer of the shares to the members by whom the tender is made or their nominees in such shares and proportions as they shall direct. If the member to whom the tender is made neglects or refuses to accept the sum tendered or to execute transfers of the shares the Company may on proof of his neglect or refusal accept and give a good discharge for the moneys tendered on behalf of the member to whom the same shall have been tendered, and the provisions of article 23 shall apply to the execution of a transfer of the shares and the registration of the members by whom the tender was made or their nominees as owners of the said shares.
39. A statutory declaration in writing that the declarant is a director of the Company, and that a share in the Company has been duly forfeited or expropriated on a date sated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the

application of the purchase-money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture or expropriation, sale or disposal of the share.

40. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### ALTERATION OF CAPITAL

41. The Company may, from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.
43. The new shares shall be subject to the same provisions with reference to payment of calls, lien, transfer, transmission, forfeiture, expropriation, and otherwise as the shares in the original share capital.
44. The Company may by ordinary resolution:-
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions in section 51 (1) (d) of the Companies Ordinance (Cap 212);
  - (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person;

and may by special resolution:-

- (d) Reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorised, and consent, required, by law.

### GENERAL MEETINGS

- 45. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of on annual general meeting and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and at such place as the directors shall appoint.
- 46. All general meetings other than the annual general meeting shall be called extraordinary general meetings.
- 47. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 114 of the companies ordinance (Cap 212). If at any time there are not within the united republic of Tanzania sufficient directors capable of acting to form a quorum, any director or any one member of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

### PROCEEDINGS AT GENERAL MEETINGS

- 48. An annual general meeting and a meeting called for the passing of special resolution shall be called by twenty-one days' notice in writing at the least, and all other meetings by fourteen days' notice in writing at least. Such notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day, and the hour of meeting and, in case of special business, the general nature of that business shall be given in the manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under these articles, entitled to receive such notices from the Company; but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.
- 49. The accidental omission to give notice to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings at any meeting.

50. All business shall be deemed special that is transacted at an extraordinary general meeting, and all that is transacted at an annual general meeting, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the ordinary report of the directors and auditors, the election of directors in the place of those retiring by rotation, and the appointment and fixing of the remuneration of the directors.
51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided two members personally present shall be a quorum.
52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.
53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company.
54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.
55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one member entitled to vote present in person or by proxy; and unless a poll is so demanded, a declaration by the chairman that the resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against the resolution.

57. If a poll is duly demanded it shall be taken in sum manner as the chairman directs, and the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
59. A poll demanded on the election of a chairman, or in a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
60. Any ordinary resolution of the Company determined on without any general meeting and evidenced by writing under the hands of all the directors or a sole director and of members of the Company holding three-fourths of the issued shares of the Company shall be as valid and effectual as an ordinary resolution duly passed at a general meeting of the Company duly convened and held.

#### VOTES OF MEMBERS

61. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote for each share of which he is the holder.
62. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
63. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, a curator bonis, or other person in the nature of a committee or curator boons appointed by that court, and any such committee, curator boons, or other person may, on a poll, vote by proxy.
64. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
65. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
66. On a poll votes may be given either personally or by proxy.

67. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorised. A member shall not be entitled to appoint more than one proxy to attend on the same occasion nor may a proxy vote except on a poll.
68. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting, or adjourned meeting, or taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
69. An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve:-

-----Limited

"I.....of, ect. being a member of the.....Limited, hereby appoint.....of, ect. as my proxy to vote for me and on my behalf at the ordinary [or extraordinary, as the case may be] general meeting of the Company to be held on the.....day of.....and at any adjourned meeting thereof."

Signed this.....day of.....19

Signature of Member

70. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

### DIRECTORS

71. The first directors shall be not less than two in number and shall be appointed by the subscribers to the Memorandum of Association. Unless and until otherwise determined by the Company by ordinary resolution the number of directors (excluding alternate directors) shall not be less than two.
72. The names of the first directors of the Company are as follows:-
1. **Ernest Saronga Massawe**
  2. **Jim Ross**
  3. **Ian Middlemans**

73. (1) The remuneration of the directors shall from time to time be determined by the Company in general meeting.
- (2) In addition to their usual remuneration the directors shall also be paid such travelling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses incurred in connection with their attendance at meetings of directors.
74. Any director may in writing appoint any person, who is approved by the majority of the directors, to be his alternate to act in his place at any meeting of the directors to which he is unable to be present. Every such alternate shall be entitled to notice of meetings of the directors and to attend and vote thereat as a director when the person appointing him is not personally present, and where he is a director, to have a separate vote on behalf of the director he is representing in addition to his own vote. A director may at any time in writing revoke the appointment of an alternate appointed by him. Every such alternate shall be an officer of the Company and shall not be deemed to be the agent of the director appointing him. The remuneration of such alternate shall be payable out of the remuneration payable to the director appointing him, and the proportion thereof shall be agreed between them. An alternate director need not hold any share qualification.
75. A director and alternate director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
76. The Company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. Any vacancy occurring in the board of directors may be filled up by the Company by an ordinary resolution.

#### **POWERS AND DUTIES OF DIRECTORS**

77. The business of the Company shall be managed by the directors, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not, by the Companies Ordinance (Cap 212) or any statutory modification thereof, for the time being in force, or by these articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these articles and of the said Ordinance, and the exercise of such powers shall be subject to the control of any general meeting of the Company specially convened for the purpose, but no resolution of the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been passed.

78. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partially in another) as they may think fit. The office of managing director shall be subject to determination ipso facto if he ceases from any cause to be a director, or if the Company in general meeting resolves that his tenure of the office of managing director or manager be determined.
79. The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.
80. The directors shall duly comply with the provisions of the Companies Ordinance (Cap. 212) or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to registration of the particulars of mortgages and charges affecting the property of the Company, or created by it, and to keeping a register of the directors and secretaries, and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special and extraordinary resolutions, and a copy of the register of directors and notification of any changes therein.
81. The directors shall cause minutes to be made in the books provided for the purpose:-
- (a) Of all appointments of officers made by the directors;
  - (b) Of the names of the directors present at each meeting of the directors and of any committee of the directors;
  - (c) Of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of directors and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

#### DISQUALIFICATION OF DIRECTORS

82. The Office of any director shall be vacated, if the director:-
- (a) Resigns his office by notice in writing to the Company; or
  - (b) Becomes bankrupt in this Territory or in any other territory which is declared to be a reciprocating territory under section 147 of the bankruptcy Ordinance; or

- (c) Is found lunatic or becomes of unsound mind; or
  - (d) Is punished with imprisonment for a term exceeding six months without the option of a fine; or
  - (e) Is requested in writing by all his co-directors to resign.
83. Any director or any Company or firm of which a director is a member, may enter into contracts with the Company and any director may vote as a director or shareholder in respect of such contract and retain for his own use profits made by him under any such contract; provided always that unless he be at the time sole director he must disclose his interest to his co-directors before the contract is entered into by the directors, and if he be at the time sole director or if all directors be interested in the contract the contract must be entered into by the Company in general meeting, and before the contract is entered into, the director or directors must disclose his or their interest to the meeting.

#### PROCEEDINGS OF DIRECTORS

84. The directors may meet together for the dispatch of, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of any equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.
85. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.
86. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the quorum of directors, the continuing director may act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the Company, but for no other purpose.
87. The directors may elect a chairman of their meeting and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
88. The directors may delegate any of their powers to committees consisting of such members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulation that may be imposed on them by the directors.

89. A committee may elect a chairman of their meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
90. a committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
91. All acts done by any meeting of the directors or of a committee of directors, or any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.
92. A resolution determined on without any meeting of directors and evidenced by writing under the hands of all directors, or a sole director, or of all the members of a committee, or of a sole member of a committee, shall be as valid and effectual as a resolution duly passed at a meeting of the directors or of such committee.

#### SECRETARY

93. The Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.
94. No person shall be appointed or hold office as a Secretary who is:-
- (a) the sole director of the Company; or
  - (b) a corporation the sole director of which is the sole director of the Company; or
  - (c) the sole director of a corporation which is the sole director of the Company.
95. A provision of the Companies Ordinance or these regulations requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of the secretary.

## THE SEAL

96. The directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the directors or of a committee of the directors authorised by the directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a director and shall be countersigned by the Secretary or by a second director or by some other person appointed by the directors for the purpose but so that the directors may by resolution determine, either generally or in any particular case, that the signature of any director may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such resolution restricted to certificates which have first been approved for sealing by the Auditors, Transfer Auditors, Transfer Agents or Bankers of the Company in writing.

## DIVIDENDS AND RESERVE

97. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
98. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.
99. No dividends shall be paid otherwise than out of profits.
100. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of the shares in the Company dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purpose of this article as paid on the share.
101. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalising dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the directors may from time to time think fit.
102. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend payable on the share.
103. No dividend shall bear interest against the Company.

## ACCOUNTS

104. The directors shall cause proper books of account to be kept with respect to:-

All sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure takes place;

All sales and purchases of goods by the Company; and  
The assets and liabilities of the Company.

Proper books of account means such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

105. The books of accounts shall be kept at the registered office of the Company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
106. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.
107. The directors shall from time to time in accordance with section 123 of the Companies Ordinance (cap 212) or any statutory modification thereof for the time being in force, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheet, group accounts (if any) and reports as are referred to in those sections.
108. a copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every person registered under regulation 19. Provided that the regulation shall not require a copy of those documents to be sent to any member of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

## CAPITALISATION OF PROFITS

109. The Company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who

would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

Provided that a share premium account and capital redemption reserve fund my, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

110. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issue of fully paid up shares or debentures, if any, and generally shall do all acts and things to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

#### AUDIT

111. Auditors shall be appointed and their duties regulated in accordance with sections 132, 133 and 134 of the Companies Ordinance (Cap 212) or any statutory modification thereof for the time being in force.

#### NOTICES

112. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address in Tanzania, to the address, if any, within Tanzania supplied by him to the Company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.



113. If a member has no registered address in Tanzania and has not supplied to the Company an address within The United Republic of Tanzania for the giving of notices to him, a notice addressed to him, and displayed in the registered office of the Company, shall be deemed to be dully given on the day on which it is so displayed.
114. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
115. 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 it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustees of the bankrupt, or by any like description, at the address, if any, in the United Republic of Tanzania supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
116. Notice of any general meeting shall be given in the same manner hereinbefore authorised to (a) every member of the Company except those members who (having no registered address within the United Republic of Tanzania) have not supplied to the Company an address within The United republic of Tanzania for the giving of notices to them, (b) every person entitled to a share in consequence of death or bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notice of the meeting and (c) the auditors for the time being of the Company. No other person shall be entitled to receive notices of general meetings.

#### WINDING UP

117. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Companies ordinance (Cap 212), divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

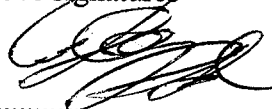
INDEMNITY

118. Subject to the provisions of the Companies Ordinance (Cap 212), every director, managing director, agent, auditor, secretary and other officer for the time being 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 judgement is given in his favour or in which he is acquitted.

Names, Addresses, and Description of Subscribers.	Number of Shares taken by each Subscriber	Signature
1. Tanganyika Gold Limited, Business Company, P. O. Box 2475. <b><u>DAR ES SALAAM.</u></b>	1	
2. Ernest Saronga Massawe, Businessman, P. O. Box 2475, <b><u>DAR ES SALAAM.</u></b>	1	
Total Shares Taken	2	

Dated the.....22nd.....day of.....APRIL.....1996

Witness to the above signatures

  
Signature:.....Samas Leggo.....  
Postal Address: PO Box 2475 Dar es Salaam  
Qualification: Chartered Accountant

Drawn By:

Marandu And Company,  
Advocates,  
P. O. Box 4000,  
Apt. 6-8,  
AMI Building.  
Mkwepu/Samora Avenue,  
**DAR ES SALAAM.**