

# **THE COMPANIES ACT 2002**

**A COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND ARTICLES OF ASSOCIATION**

**OF**

**ZHONGQUAN MINING COMPANY LIMITED**

Incorporated this ..... day of ....., 2023

**DRAWN BY:**  
**QINGPIAO CAI**  
**(SUBSCRIBER)**  
**P.O. BOX 72662**  
**DAR ES SALAAM - TANZANIA**

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.

- 7.4 A forfeited share may be sold or otherwise disposed off on such terms and such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be canceled on such terms as the directors think fit.
- 7.5 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 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 full of the nominal amount of the shares.
- 7.6 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 the fact 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 favor 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, sale or disposal of the share.

#### **8. Conversion of shares into stock**

- 8.1 The Company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
- 8.2 The holder of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as, and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit but the directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.
- 8.3 The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company) shall be conferred by any such aliquot part of stock as would not if existing in shares, have conferred that privilege or advantage.

of shares, 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.

12.2 In 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.

12.3 A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, any vote, whether on a show of hands or on a poll, by his committee or other legal guardian may, on a poll vote by proxy.

12.4 No member shall be entitled to vote at any general meeting unless all class or other sums presently payable by him in respect of shares in the Company have been paid.

12.5 On a poll votes may be given either personally or by proxy. Provided that no Company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of Section 116 of the Act is in force.

12.6 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company.

12.7 The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notary certified copy of that power or authority shall be deposited at the registered office of the Company not less than seventy-two hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

12.8 An instrument appointing a proxy may be in the following form or any other form which the directors shall approve: -

"I.....of.....being a member of **ZHONGQUAN MINING COMPANY LIMITED**

Hereby appoint ..... as my proxy, to vote for me and on my behalf at the (annual or extraordinary, as the case may be) general meeting of the Company to be held on ..... day of ....., 2023, and at any adjournment thereof. Signed this ..... day of .....2023.

### 13. Corporation acting by representative at meetings

13.1 Any corporation which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized 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.

### 14. Directors

14.1 The first directors shall be not less than two in number and shall be appointed by the subscribers to the article of Association, who shall nominate one as Chairman of the Board. Such nominee shall remain Chairman until the first General Meeting when the other shall become Chairman, and at every subsequent General Meeting the Chairman shall rotate provided always there are only two directors. If there are more the directors may appoint any one of them to be the Chairman of the Company and likewise remove him such office. Unless and until otherwise determined by the Company by ordinary Resolution the number of directors (excluding alternate directors) shall not be less than two.

Unless and until the Company in general meeting shall otherwise determine the first directors of the Company shall be: -

14.1.1 QINGPIAO CAI

14.1.2 ZHIQIN WANG

14.1.3 JINGFANG LYU

14.1.4 PAN HUI

14.2 The Company may by ordinary resolution remove any director and 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.

14.3 The remuneration of the directors shall from time to time be determined by the Company in general meeting. In addition to their usual remuneration the directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses in connection with their attendance at meetings of directors.

14.3.1 Any director may at any time appoint any person approved by the directors to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and subject to such approval as aforesaid, appoint

such powers of the Company, as are not, by the Act, or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any regulation of these Articles, to the provisions of the Act and such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting; but no regulations had not been made.

15.2 The Directors may from time to time appoint one or more of their body corporates to manage the Company for such term and at such remuneration (whether by way of salary or commission, or participation in profits, or partly in one way and partly in another) as they may think fit. In the case of the appointment of a Managing Director such appointment shall be subject to determination ipso facto if he ceases from any cause to be director.

15.3 The directors shall cause minutes to be made in books provided for the purpose: -

15.3.1 Of all appointments of officers made by the directors;

15.3.2 Of the names of the directors present at each meeting of the directors 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 for the purpose.

#### **16. The seal**

16.1 The Board shall provide for the safe custody of the Seal. The Seal shall be used only by the authority of the Board and every instrument to which the Seal be affixed shall be signed by a director and also by the Secretary or by a second director or by some other person appointed by the Board for the purpose.

#### **17. Disqualification of directors**

17.1 The office of director shall be vacated, if the director: -

17.1.1 Without the consent of the Company in general meeting holds any other office of profit under the Company except that of Managing Director or Manager; or

17.1.2 Becomes bankrupt in this Territory or in any other territory which is declared to be a reciprocating territory under Section 147 of the Bankruptcy Act; or

17.1.3 Becomes prohibited from being a director by reason of any order made under sections 213 or 269 of the Act; or

17.1.4 Is found lunatic or becomes of unsound mind; or

17.1.5 Resigns his office by notice in writing to the Company; or

17.1.6 Is punished with imprisonment for a term exceeding six months without the option of a fine.

## 18. Proceedings of directors

- 18.1 The directors may meet together for the dispatch of business, 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 an 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.
- 18.2 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.
- 18.3 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 the regulations of the Company as the necessary quorum of directors, the continuing directors may act for the purpose of summoning a general meeting of the Company, but for no other purpose.
- 18.4 The Directors may be 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.
- 18.5 The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit, any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.
- 18.6 A committee may elect a chairman of its meeting; 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.
- 18.7 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman shall have a second or casting vote.
- 18.8 All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there were some defect in the appointment of any such director or person 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.

## 19. Secretary

19.1 The Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit and Secretary so appointed may be removed by them.

19.2 No person shall be appointed or hold office as a Secretary who is:-

19.2.1. The sole director of the Company, or

19.2.1.2 A corporation the sole director of which is the sole director of the Company; or

19.2.1.3 The sole director of a corporation which is the sole director of the Company

19.2.1.4 A provision of the Act or these regulations requiring or authorizing 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.

## 20. Dividends and reserve

20.1 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.

20.2 The directors may from time to time pay to the members such interim dividends as appear to the directors.

20.3 No dividends shall be paid otherwise than out of profits.

20.4 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 said 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 purposes of this article as paid on the share.

20.5 The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies or for equalizing dividends or for any other purpose to which the profit of the Company may be properly either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the directors may from time to time think fit.

20.6 If several persons are registered as joint holders of any shares, any one of them gives effectual receipts for any dividends or other moneys payable on or in respect of the shares.

20.7 Any dividends may be paid by cheque or warrant sent through the post to the

annexed thereto) which is to be laid before the Company in general meeting together with a copy of the Auditor's report shall not less than seven days before the date of the meeting be sent to all persons entitled to receive notices of general meetings of the Company.

21.4 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

## 22. Notices

22.1 A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address within the Territory) to the address, if any, within the Territory 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 letter would be delivered in the ordinary course of post.

22.2 If a member has no registered address within the Territory and has not supplied to the Company an address within the Territory for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to have been duly given to him at noon on the day on which the advertisement appears.

22.3 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 of members in respect of the share.

22.4 Notice of every general meeting shall be given in some manner herein before authorized to: -

22.4.1 every member except those members who (having no registered address within the Territory have not supplied to the Company an address within the Territory for the giving of notices to them, also to

22.4.2 Every person entitled to a share in consequence of the death or bankruptcy of a member, who, but for his death or bankruptcy would be entitled to receive notice of the meeting. No other person shall be entitled to receive notice of general meetings.

## 23. CAPITALIZATION OF PROFITS

23.1 The Company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalize 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




its, terminal unit lamp holders and all kind offs of electrical good required for purpose of installing electrical connection.

- l) To carry on healthy mining operations and forestry activities, building and constructions operations
- m) To cut and prepare mineral oil, gold, silver, metals, tine cooper and other base metals ore and minerals of whatever kind and description and gems varieties of tanzanite, garnet, zoisite, diamonds, amethyst and any other rough and uncut stone or any kind whatsoever.
- n) To carry on business of wholesalers, indenting agents and manufacturer's representatives, sales representatives either on commission or profit-sharing basis of all kinds of goods and materials, as permissible under law
- o) To receive goods on consignment, from any company, firm, association of persons, body, individuals, government, semi-government or any local authority and sell the same as agents or as principal.
- p) To prospect, process, buy, sell and deal in every kind of quarry, mining, gemstone, coal, gypsum, gold, diamond, whether natural or partly processed or otherwise and to deal in every kind of minerals and produce of the soil.
- q) To carry on all or any business of heavy machines, transportation, carriage and haulage contractors, owners and charter of road vehicles, maintain and operate transport service of every description both public and privet and all services.
- r) To carry on the business of transporters, transport contractors, road travel and sea travel agents, charterers and tourist agents, to establish camps, buildings, health farms and conveniences of all kinds for tourists, passengers and holiday makers including hotel and lodging accommodation, guides and reading rooms.
- s) To purchase, hire, or otherwise acquire and hold vehicles and to carry on all or any of the business of ship owners, agents, chandlers, freight contractors, general carriers by land and water, and any other business let on hire, repair, alter and deal in machinery component parts, accessories and fitting
- t) To purchase, take on lease or otherwise acquire freehold and other lands, properties, mines, land and mineral properties and also grants, concessions, leases, claims, licenses of or other interests in mines, mining rights, lands, mineral properties, water rights, and either absolutely or conditionally, and either solely or jointly with others.
- u) To apply for, purchase, take out or otherwise acquire any patents, patent rights, licenses, concessions or inventions, copyright or secret processes which may be useful for the Company's objects, and to grant licenses to use the same or to sell the same outright or on any terms which may, in the opinion of the Directors, be to the interest of the Company, and to make, subsidize or assist in experiments, investigations and researches.

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 a joint venture with local or foreign investors, or other body of persons, whether incorporated or not incorporated, and whether domiciled in Tanzania or elsewhere, and that the intention is that each of the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be an independent main object and be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the members is limited.
5. The share capital of the Company is Tsbs 100,000,000/= divided into 1,000 ordinary shares of Tsbs 100,000/= each. Subject and without prejudice to the rights attached to any class or the Company, whether part of the original or any increased capital of the Company, may be issued with any special qualified, preferred or differed rights and privileges or conditions as to capital, dividends, rights or voting or other matters, but so that any such rights, privileges or conditions shall not be altered or modified except in accordance with the Articles of Association of the Company for the time being in force.


WE, the several persons whose names addressed and occupations 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, Posta Address and Occupation of Subscribers	Number of Shares taken by each Subscribers	Signature of Subscribers
1. QINGPIAO CAI PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, SHISH DISTRICT, 6 <sup>TH</sup> BAIDEHUIFENG, ROOM 1007.	250	
2. ZHIQIN WANG PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, NANAN DISTRICT, KUIFENG INDUSTRIAL AREA.	250	
3. JINGFANG LYU PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, NANAN DISTRICT, HAILIANXIN BAY GARDEN, ROOM 201.	250	
4. PAN HUI PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, SHUITOU TOWN, HAIXI STONE HEADQUARTERS C55, ROOM 1007.	250	

Dated the 13 day of 10 2023.

Witness to the above signatures: -

Name: RENATHA BYABATO

Signature 

Postal Address P.O. Box 72892, DSM





Qualification ADVOCATE



## 25. Indemnity

25.1 Subject to the provisions of the Act, every director or other officer and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.

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

Names, Postal Address and Occupation of Subscribers	Number of Shares taken by each Subscribers	Signature of Subscribers
1. QINGPIAO CAI PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, SHISH DISTRICT, 6 <sup>TH</sup> BAIDEHUIFENG, ROOM 1007.	250	
2. ZHIQIN WANG PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, NANAN DISTRICT, KUIFENG INDUSTRIAL AREA.	250	
3. JINGFANG LYU PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, NANAN DISTRICT, HAILIANXIN BAY GARDEN, ROOM 201.	250	
4. PAN HUI PEOPLE'S REPUBLIC OF CHINA, FUJIAN CITY, SHUITOU TOWN, HAIXI STONE HEADQUARTERS C55, ROOM 1007.	250	

Dated the 13 day of 10 2023.

Witness to the above signatures: -

Name: RENATHA BYABATO

Signature 

Postal Address P.O BOX 72872, DSM

Qualification ADVOCATE



whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it, or at the option of the Company is liable, to be redeemed.

4.3 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 class) may be varied with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

In every such separate general meeting the provisions of these Regulations relating to general meetings should *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy-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.

For the purpose of these Articles, the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* herewith.

4.4 Every person whose name is registered as a member in the register of members shall, without payment, be entitled to a certificate under the 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.

4.5 If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one shilling, and on such terms, if any, as to evidence and indemnity, as directors think fit.

4.6 No part of the funds of the Company shall directly or indirectly be employed in the purchase of, or in loans upon the security of, the Company's shares, but nothing in this regulation shall prohibit transactions mentioned in the provision to section 46 (1) of the Act.

4.7 The Company shall be entitled to treat the person whose name appears upon the register in respect of any shares as the absolute owner thereof and shall not be under any obligation to recognize any trust or equity or equitable claim to or partial interest in such shares whether or not it shall have express or other notice thereof.

4.8 The Company shall have a lien on every share for all money's (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have

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 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.

5.5 The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called upon thereon as payment in advance of calls which will extinguish, so far as the same shall extend, the liability upon the shares in respect of which it advanced, and the Company may pay interest upon the money so received, or so much thereof as from time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the member paying such and the directors agree.

#### 6. Transfer and transmission of shares

6.1 The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

6.2 Shares shall be transferred in the following form, or in any usual or common form which the directors shall approve: -

"I ...of.....for.....a consideration of Tshs. ....paid to me by  
....., of..... (Hereinafter called "the said transferee")

Do hereby transfer to the said transferee the share (or shares) numbered..... In the undertaking called the **ZHONGQUAN MINING COMPANY LIMITED** to hold onto the said transferee, subject to the several conditions on which I hold the same; and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands the ..... day of....., 2023

6.3 The Directors may in their absolute discretion decline to register any transfer of shares to a 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 a lien. The directors may also suspend the registration of transfer during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless: -

- 6.3.1 A fee not exceeding two shillings is paid to the Company in respect thereof, and
- 6.3.2 The instrument of transfer is accompanied by the certificates of the shares to which it relates, and such other evidence as the directors may reasonably require

showing 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.

- 6.4 The Legal personal representatives of deceased sole holder of a share shall NOT be automatically recognized by the Company as having any title to the share. The decision whether such legal personal representative should be given the title to the deceased's share shall be taken by the General Meeting of the Company.
- 6.5 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon evidence being produced as may from time to time be properly 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 the 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.
- 6.6 A person becoming entitled to share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- 6.7 Save as hereinafter provided, no shares in the Company shall be transferred otherwise than to a person who is already a member of the Company until the rights of pre-emption hereby conferred shall have been exhausted that is to say: -
- 6.7.1 Every member or other person referred to in Article 24 who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the Board of his intention to do so. Such 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, or 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.
- 6.7.2 Upon the price being fixed as aforesaid the Board shall or forthwith give notice to all the members of the Company of the number and price of the shares to be sold and invite each of them to state in writing within thirty days from the date of the

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 Director's may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

- 4.9 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 thereto by reason of his death or bankruptcy.
- 4.10 For giving effect to any such sale the directors may authorize 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 be bound to see to the application any irregularity or invalidity in the proceedings in reference to the sale.
- 4.11 The proceeds of the sale be received by the Company and applied in payment of such part of the amount in respect of which the lien exists for sums not presently payable as existed upon entitled to the shares at the date of the sale.

#### 5. Calls on shares

- 5.1 The directors may, subject to any conditions of allotment from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) provided that (except as otherwise fixed by the conditions of allotment) no call any share shall be payable at less than thirty days from the date appointed for payment of the last preceding call, and each member shall (subject to being given at least fourteen days' notice specifying the time and place of payment) pay to the Company at the time and place so specified the amount called on his shares.
- 5.2 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 5.3 for a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of eight per centum per annum from the day appointed for the payment thereof to time of the actual payment, but the directors shall be at liberty to waive payment of the interest wholly or in part.
- 5.4 The provisions of these regulations as to the liability of joint holders and as to payment of

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**OF**  
**ZHONGQUAN MINING COMPANY LIMITED**

**PRELIMINARY**

1. In these Articles: -

"The ACT" means the Companies ACT 2002

"The Seal" means the Common Seal of the Company

"Secretary" means any person appointed to perform the duties of the Secretary of the Company.

Expressions referring to writing shall unless the contrary intention appears, be construed as including references to printing, lithography and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding upon the Company.

2. The Regulations contained in Table A of the First Schedule to the Companies Act 2002 shall not apply to the Company.
3. The Company is a private Company and accordingly: -
- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
  - (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 the 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 member.

**4. Shares**

- 4.1 The share capital of the Company is One hundred Million (TSh 100,000,000/=) divided into one Thousand (1,000) ordinary shares of one hundred thousand (TSh 100,000/=) each.
- 4.2 Subject to the provisions, if any, in that behalf of the article of Association, and without prejudice to any special rights previously conferred on the holders of existing shares, any shares may be issued with such preferred, deferred or other special rights or such restriction,\*

profit or loss account or otherwise available for distribution amongst the member 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 shares 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 to and amongst such members in the proportion aforesaid, or partly in the one way of partly in the other, and the directors shall give effect to such resolution.

23.2 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 capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full powers 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 authorize any person to enter on behalf 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 capitalization, 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 received to be capitalized, 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 member.

#### **24. Winding up**

24.1 If the Company shall be wound up, the liquidator may, with sanction of an extraordinary resolution of the Company and any other sanction required by the Companies Act, if any, and having due regard to the respective rights of the holders of different classes of shares to which special rights are attached, divide amongst the members in specie or kind the whole or any part of the assets of the Company 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.

registered address of the member or person entitled thereto or in the case of joint holders to any one of such joint holders at his registered address or to such person and such address as the member or person entitled or such joint holders as the case may be may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders as the case may be may direct.

20.8 No dividend shall bear interest against the Company.

## 21. Accounts

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

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

21.1.2 All sales and purchase of goods by the Company;

21.1.3 The assets and liabilities of the Company.

21.1.4 The books of account shall be kept at the registered offices 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.

21.1.5 The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to 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 books or document of the Company except as conferred by statute or authorized by the directors or by the Company in general meeting.

21.2 The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, (distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment salaries and other like matters. Every item of expenditure fairly chargeable against the year's income) shall be brought into account, so that a just balance of profit and loss may be laid before the meeting and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reason why only a portion of such expenditure is charged against the income of the year.

21.3 A copy of every balance sheet (including every document required by law to be

another person in his place. An alternate director shall (subject to his giving to the Company an address within Tanzania at which notices may be served on him) be entitled to receive notices of all meetings of the directors, and to attend and vote as a director at which the director appointing him is not personally present, and generally to perform all the functions of his appointer as a director in the absence of such appointer. An alternate director shall *ipso facto* cease to be an alternate director if his appointer ceases for any reason to be a director. All appointments and removals of alternate directors shall be affected by notice in writing under the hand of the director making or revoking such appointment sent to or left at the registered office. An alternate director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the director appointing him. The remuneration payable to the director appointing him, and shall consist of such part (if any) of the last-mentioned remuneration as shall be agreed between the alternate director and the director appointing him.

- 14.3.2 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.
- 14.3.3 A resolution in writing signed by all directors shall be as valid and effectual as if had been passed at a meeting of the directors duly called and constituted and may consist of several documents in the like form, each signed by one or more of the directors but so that the expression "director" in the article shall not include an alternate director other than an alternate director appointed by a director who at the date of the resolution is absent from Tanzania.
- 14.3.4 Provided a director declares his interest therein in manner provided by the Act he may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising there out, and if he shall so vote his vote shall be counted in the quorum when any such contract or arrangement is under consideration.
- 14.3.5 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 debenture, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

**15. Powers and duties of directors**

- 15.1 The business of the Company shall be managed by the directors who may pay all expenses incurred in getting up and registering the Company, and may exercise all

11.4 The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company.

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 someone of their number to be chairman.

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 ten days or more, notice to 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.

11.5 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 present in person or by proxy and entitled to vote. 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 book shall be conclusive evidence of the fact.

11.6 If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

11.7 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.

11.8 A poll demanded on the election of a chairman or on 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.

11.9 An 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 in the aggregate 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.

## 12. Votes of members

12.1 Subject to any rights or restrictions for the time being attached to any class or classes