

JOINT VENTURE AGREEMENT

BETWEEN

NATIONAL DEVELOPMENT CORPORATION

AND

FUJIAN HEXINGWANG INDUSTRY TANZANIA COMPANY LIMITED

**FOR MINING AND BENEFICIATION OF VANADIUM
TITANOMAGNETITE ORE AT THE MAGANGA MATITU PROJECT
AREA IN LUDEWA DISTRICT, NJOMBE REGION**

TABLE OF CONTENTS

1. RECITALS:	5
2. DEFINITIONS	7
3. PURPOSE OF JVA	16
4. INCORPORATION OF JVC AND SHAREHOLDING ARRANGEMENTS	17
4.1 Incorporation	17
4.2 Shareholding Structure after Incorporation	18
5. OBLIGATIONS ARISING ON THE EFFECTIVE DATE AND IMMEDIATELY ON INCORPORATION OF THE JVC	18
5.1 Commitment Fees	18
5.2 Incorporation of the JVC	18
5.3 Management Fees	19
6. MANAGEMENT OF THE JVC AFTER INCORPORATION	19
6.1 Board of Directors	19
6.2 Management and Operation of the JVC	19
7. SHAREHOLDERS AGREEMENT	20
8. PROJECT IMPLEMENTATION STRATEGY	20
8.1 Raw Materials	20
8.2 Use of Local Labour Professional Services and Materials	21
8.3 Infrastructure	21
8.3.1 Internal Roads	21
8.3.2 Water Requirements	21
8.3.3 Power Supply	22
8.3.4 Land Use and Compensation	22
8.4 Corporate Social Responsibility	22
9. TRANSFER OF MINERAL RIGHTS TO JVC	22
10. MATERIALS DISCOVERED ON SITE	22
11. OBLIGATIONS OF THE PARTIES	23
12. PRINCIPLES OF GOOD FAITH	23
13. WARRANTIES BY THE PARTIES	24
14. SPECIFIC WARRANTS BY NDC	25

15. FUJIAN HEXINGWANG CORPORATE STRUCTURE, STATUS, AND REGULATORY APPROVALS.....	26
16. ASSIGNMENT AND MODIFICATION.....	26
17. EFFECTIVE DATE, DURATION, AND RENEWAL.....	27
18. FURTHER ASSURANCE.....	27
19. FORCE MAJEURE.....	27
20. DISPUTE RESOLUTION.....	28
21. TERMINATION.....	29
22. REVIEW AND MODE OF AMENDMENTS.....	31
23. LEGAL RELATIONSHIP.....	31
24. NOTICE.....	31
25. DISCLOSURE OF INFORMATION AND CONFIDENTIALITY.....	33
26. GOVERNING LAW.....	33
27. TRANSFER PRICING.....	33
28. COSTS AND EXPENSES.....	34
29. COUNTERPARTS.....	34
30. SUCCESSORS IN TITLE.....	34
31. NO WAIVER.....	34
32. SEVERABILITY.....	35
33. BUSINESS ETHICS.....	35
34. BINDING NATURE OF THIS JVA.....	35
35. ENTIRE AGREEMENT.....	36

THIS JOINT VENTURE AGREEMENT IS ENTERED INTO BY AND BETWEEN

NATIONAL DEVELOPMENT CORPORATION, a statutory body, established under the National Development Corporation (Establishment) Order GN. No. 90 of 1969 with its registered office at Development House, Kivukoni Front/ Ohio Street, of P.O Box 2669 **DAR ES SALAAM**, Tanzania, hereinafter referred to as "NDC" which expression shall where the context so admits, include its successors in title and assigns (NDC) of the first Party

AND

FUJIAN HEXINGWANG INDUSTRY TANZANIA CO. LIMITED, a limited liability company incorporated in accordance with the Laws of Tanzania with its registered office at Plot No. 24, Kisemvule, Mkuranga, Coast Region, of P. O. Box 63069 Dar es Salaam which expression shall, where the context so admits, include its successors in title and assigns (FUJIAN HEXINGWANG) of the second Party;

Hereinafter jointly referred to as "the Parties".

1. **RECITALS:**

WHEREAS,

- 1.1 The National Development Corporation (NDC) is established under the National Development Corporation (Establishment) Order GN. No. 90 of 1969 as an arm of the Government to spearhead economic development in Tanzania.

WHEREAS,

- 1.2 NDC has been mandated by the Government of the United Republic of Tanzania *among other things*, to promote, plan, approve, structure, initiate, and undertake development of projects within the Mtwara Development Corridor.

WHEREAS,

- 1.3 NDC aims to create primary industries and guide the development and implementation of commercially viable projects in partnership with the private sector.

WHEREAS,

- 1.4 NDC has been entrusted by the Government of the United Republic of Tanzania to procure an investor to mine and beneficiate **vanadium titanomagnetite ore** to produce iron concentrate (62% TFe) in powder form and Titanium concentrate, which meets market requirements in powder form at Maganga Matitu Project area.

WHEREAS,

- 1.5 NDC has identified the Maganga Matitu area for mining and beneficiation of vanadium titanomagnetite ore in Ludewa District, Njombe Region.

WHEREAS,

- 1.6 To promote employment opportunities and industrial development and, in particular, the establishment of further raw material processing facilities in the United Republic of Tanzania (URT), NDC initiated a competitive procurement

process through Tender No: **PA/068/NDC/2020/2021/INV/01** to select a Joint Venture Partner (hereinafter the Procurement Process).

WHEREAS,

- 1.7 After the Procurement Process and evaluation of Proposals submitted by the Bidders, NDC accepted the proposal submitted by FUJIAN HEXINGWANG, and FUJIAN HEXINGWANG was awarded the tender and was issued a Notification of Award with Ref: **GA.34/284/01/22** dated **21st October 2020**.

WHEREAS,

- 1.8 FUJIAN HEXINGWANG proposes establishing and operating a **vanadium titanomagnetite** mine and beneficiation plant at Amani Village, Ludewa District, Njombe Region, capable of producing iron ore powder and titanium powder.

AND WHEREAS,

- 1.9 The Parties hereby agree to enter into a Joint Venture Agreement (JVA) that creates terms and conditions reflecting a joint desire of the Parties to create an atmosphere of business certainty and investment confidence to conduct mining and beneficiation of **vanadium titan magnetite ore**.

NOW THIS Joint Venture Agreement serves to record the general understanding between the **PARTIES** and **WITNESSETH** as follows:

2. DEFINITIONS

2.1 In this Agreement, unless the context indicates a contrary intention:

- 2.1.1 **Applicable laws** As used in any Clause in this Agreement means the specific law or laws of Tanzania applicable to the specific subject matter referred to in a particular Clause
- 2.1.2 **Articles of Association** Means the Articles of Association of the Joint Venture Company to be established by the Parties to the Joint Venture Agreement, duly adopted and as amended from time to time upon written consent from both parties.
- 2.1.3 **Beneficiation Plant** Means a processing facility which comprises of equipment not limited to ball mill, crusher, concentrators, depending on the type of ore and desired products, and such plant shall be used to process and separate **vanadium titanomagnetite ore** into marketable iron concentrate (62%TFe) in powder form and Titanium concentrate.
- 2.1.4 **Board or Board of Directors** Means the board of directors of the JVC as constituted by the Parties.
- 2.1.5 **Business Day** Means any day other than a Saturday, Sunday or official public holiday in Tanzania.
- 2.1.6 **Companies Act** Means the Companies Act, Cap 212 of the Laws of Tanzania.

- 2.1.7 Shareholders' Agreement** Means the Shareholders' Agreement to be concluded between the Parties regarding the JVC as contemplated in this Agreement.
- 2.1.8 Confidential Information** Means all technical, economic, financial, sales, marketing, and other confidential information developed or owned by either of the Parties and confidential information provided in writing or orally by the Parties to each other in connection with all the information approved or disapproved of business/activities or otherwise in the implementation of this JVA, and such other information as may be designated as confidential from time to time, by the Parties, or as described in the confidentiality agreements in force between the Parties.
- 2.1.9 Director** Means an individual member of the Board of Directors of the JVC duly appointed per the articles of association of the JVC.
- 2.1.10 Effective Date** Means the date of signing this JVA.
- 2.1.11 Existing Documents** Means the Existing Documents, being all reports, studies, and other information held or owned by the Government, the NDC, or FUJIAN HEXINGWANG relating to the Maganga Matitu development as at the signature date, including all technical and commercial information and reports conducted by any persons for the NDC, the Government or

FUJIAN HEXINGWANG in respect of the Maganga Matitu Project.

- 2.1.12 Exploration Rights** The exclusive rights and licenses to explore vanadium titanomagnetite deposits on the property will be transferred by NDC to JVC and implemented by JVC.
- 2.1.13 Feasibility Study** Means the technical feasibility study and Updates compiled in respect of the Maganga Matitu Project as contemplated in this Agreement.
- 2.1.14 Free carried interest** Means the equity interest granted to the Government by any person holding a Mining Licence or Special Mining Licence pursuant to the provisions of section 10 of the Mining Act, Cap.123 of the Laws of Tanzania.
- 2.1.15 Government** Means the Government of the United Republic of Tanzania.
- 2.1.16 Indicated Mineral Resource** Means that part of a Mineral Resource of which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

- 2.1.17 Inferred Mineral Resource** Means that part of the Mineral Resource for which tonnage, grade and mineral content can be estimated with a low-level confidence. It is inferred from geological evidence and assumed but not verified geologically and grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits workings and drill holes which may be limited or of uncertain quality and reliability.
- 2.1.18 Infrastructure** Means all the associated works relating to Mine and Beneficiation Plant Development.
- 2.1.19 JVA** Means this binding Joint Venture Agreement and the Schedules to it and shall include any modifications, alterations, or additions to it made in writing after the date of the execution of the JVA; if such modifications, alterations or additions are made with due consent of both Parties and such consent has been given in writing.
- 2.1.20 JVC** Means a Joint Venture Company to be incorporated by the Parties pursuant to the terms of this Agreement.
- 2.1.21 Life of the Mine** Means the time in which, through the employment of the available capital, the ore reserves or such reasonable extension of the ore reserves as conservative geological analysis may justify will be extracted.

- 2.1.22 **Maganga Matitu Project** Means the following project components;
- a) Exploration of Maganga Matitu Iron Ore Deposit.
 - b) Mining of Iron Ore of Maganga Matitu.
 - c) Setting up a Processing Plant to produce iron ore powder and titanium powder.
 - d) Any other related project or works that may be approved by the Board of Directors of the JVC.
- 2.1.23 **Measured Mineral Resource** Means that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling, and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes. The locations are close enough to confirm geological or grade continuity.
- 2.1.24 **Memorandum and Articles of Association** Means the Memorandum and Articles of Association of the JVC.
- 2.1.25 **Mineral Resource** Means a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality, and quantity that there are reasonable prospects for eventual economic extraction. A Mineral Resource's location, quantity, grade, geological characteristics, and continuity are

- known, estimated, or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided into Inferred, Indicated and Measured categories to increase geological confidence.
- 2.1.26 Mineral Rights** Means a mining licence granted to exploit the Iron Ore deposits in the project area to be given by the NDC to the JVC as contemplated in this Agreement.
- 2.1.27 Mining Act** Means the Mining Act, Cap.123 of the Laws of Tanzania.
- 2.1.28 Mining and Beneficiated Ore** It is an iron ore that has been concentrated but not limited to crushing, grinding, screening, and magnetic separation to obtain final concentrated product of not less than 62% iron (TFe).
- 2.1.29 Notice** Means any notice, consent, approval, permission and any other communication required or permitted to be given between the Parties.
- 2.1.30 Ore Reserve** Means the economically mineable part of a Measured and/or indicated Mineral resources. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social, and governmental factors.

These assessments demonstrate that extraction could reasonably be justified at the time of reporting. Ore reserves are sub-divided to increase confidence in Probable Ore Reserves and Proved Ore reserves.

2.1.31 Parties

Means National Development Corporation and Fujian Hexingwang Industry Tanzania Co. Limited.

2.1.32 Plant

Means:

- a) The equipment for production of Iron ore powder, Titanium Powder, and any other related products as contemplated in this Agreement.
- b) Infrastructure support facilities for housing accommodation, offices and administrative building, power supply, water supply, warehouse and storage building, internal roads, and dumping areas, in relation to Maganga Matitu Project

2.1.33 Plant Site

Means the site on which a mineral beneficiation plant will be located and which the parties anticipate will be within the mine area depicted as 'Plant Area' on the project site approved as such pursuant to the approved mine design proposals.

2.1.34 Project

Means the development and establishment of **vanadium titanomagnetite** mine and beneficiation plant at Maganga Matitu in Ludewa District, Njombe

Region as hereunder defined and more particularised as Maganga Matitu Project.

2.1.35 Project Manager

Means the JVC which shall carry out the day to day operations of the project through its management team and under the supervision of the Board of Directors.

2.1.36 Project Area

Means the mining licence areas as indicated in the licence geographical coordinates thus:

Applicable to Maganga Matitu deposit falls under Mining Licenses - **ML 00776/2021** (with size 9.77 square kilometers) and **ML 00777/2021** (with size 9.77 square kilometers)

S/N	Licence No.	Latitude (S)	Longitude (E)
1.	ML/00776/2021	09 ⁰ 52'0.00"	34 ⁰ 54'30.00"
		09 ⁰ 52'0.00"	34 ⁰ 51'36.00"
		09 ⁰ 51'0.00"	34 ⁰ 51'36.00"
		09 ⁰ 51'0.00"	34 ⁰ 54'30.00"
2.	ML/00777/2021	09 ⁰ 53'0.00"	34 ⁰ 51'36.00"
		09 ⁰ 53'0.00"	34 ⁰ 54'30.00"
		09 ⁰ 52'0.00"	34 ⁰ 54'30.00"
		09 ⁰ 52'0.00"	34 ⁰ 51'36.00"

2.1.37 Proved Ore Reserve

Means the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses when the

material is mined. Appropriate assessments and studies have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social, and governmental factors. These assessments demonstrate that extraction could reasonably be justified at the time of reporting.

- 2.1.38 Resource Drilling Programme** Means a drilling program to update the Maganga Matitu Iron Ore Reserves to inferred, Indicated and Measured Resources.
- 2.1.39 Shares** Means equity interest held by the Parties.
- 2.1.40 Tanzania** Means the United Republic of Tanzania.
- 2.1.41 TZS** Means Tanzania Shillings being the legal tender of Tanzania.
- 2.1.42 USD or US Dollars** USD or US Dollars means United State Dollars being the legal tender of the United States of America.
- 2.1.43 Vanadium Titanomagnetite** Means iron ore at Maganga Matitu (vanadium titanium magnetite ore) used as raw material for producing iron ore powder, titanium powder, vanadium, and any other related products as contemplated in this Agreement.

- 2.2 Reference to stated provisions shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date of this Agreement) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).
- 2.3 References to clauses and schedules are to the clauses and schedules of this Agreement.
- 2.4 The headings are inserted for convenience only and shall not affect the construction of this Agreement.

3. PURPOSE OF JVA

3.1 This JVA describes:

- a) The terms and conditions under which the Parties wish to fully implement the Maganga Matitu Project based on the Due Diligence and Feasibility Study conducted by the parties;
- b) The manner through which FUJIAN HEXINGWANG and NDC shall subscribe to the equity share capital of the JVC to implement the Maganga Matitu Project in accordance with the provisions of the Shareholders' Agreement;
- c) The rights and obligations of the Parties for the duration of the JVA; and
- d) The JVC's organisation, management and operation to the extent applicable under terms of this JVA.

4. INCORPORATION OF JVC AND SHAREHOLDING ARRANGEMENTS

4.1 Incorporation

- a) The Parties agree to promote and ensure the incorporation of the JVC in Tanzania, which shall operate under the terms of this Agreement.
- b) The Parties undertake to promote and incorporate the JVC within thirty (30) days from the Effective Date.
- c) The business of the JVC shall be to initiate, develop, manage, and operate the Maganga Matitu Project, including establishing an iron ore mine and beneficiation plant in an environmentally acceptable manner and in accordance with this Agreement.
- d) The Parties agree that the JVC shall incorporate two subsidiary companies for mineral extraction and mineral processing, and the Government, through the Treasury Registrar, shall hold 16% free carried interest shares in each subsidiary company as per the Mining Act and the Mining (State Participation) Regulations, 2022 as amended from time to time. The shareholding structure in the two subsidiary companies shall reflect the JVC equity ownership structure under Clause 4.2.
- e) The Parties shall meet all administrative and regulatory requirements to incorporate and operationalise the JVC.
- f) The costs of promotion and incorporation of the JVC, as well as the costs of its management and operation, shall be borne in the manner provided under this JVA.

4.2 Shareholding Structure after Incorporation

The Parties agree that the JVC shall have three shareholders: NDC, FUJIAN HEXINGWANG, and the Government. FUJIAN HEXINGWANG shall be the majority shareholder with 64% of the shares, while the NDC shall be a minority shareholder with 20% of the shares, and the Government, through the Treasury Registrar, shall hold 16% non-dilutable free carried interest shares as per the Mining Act and the Mining (State Participation) Regulations, 2022.

5. OBLIGATIONS ARISING ON THE EFFECTIVE DATE AND IMMEDIATELY ON INCORPORATION OF THE JVC

5.1 Commitment Fees

FUJIAN HEXINGWANG shall pay the NDC non-refundable United States Dollar Fifty Thousand (USD 50,000) as commitment fees, which shall be paid within one month from signing the JVA.

5.2 Incorporation of the JVC

a) On or immediately following the Effective Date, the Parties undertake to do all things reasonably necessary to ensure the incorporation of the JVC and that the provisions of this JVA are adopted and ratified, whether in terms of the documents of incorporation of the JVC or by contract or by resolution, in accordance with the legal and regulatory requirements applicable in Tanzania.

b) Parties agree that the Memorandum and Articles of Association (MEMARTs) of the JVC and its subsidiaries and Shareholders Agreement (SHA) shall correspond to this JVA, and any term of the MEMARTs or SHA which shall contravene this JVA, the JVA terms shall prevail.

5.3 Management Fees

The management fee shall be paid to NDC at 3.3% of the gross sales of iron ore powder and titanium powder in the Maganga Matitu project. NDC shall bear taxes and fees arising from management fees, and the JVC shall withhold the tax payable and remit the same to the Tanzania Revenue Authority in accordance with the law.

6. MANAGEMENT OF THE JVC AFTER INCORPORATION

6.1 Board of Directors

- a) The JVC shall have a Board of Directors comprising nine (9) directors, five (5) of whom shall be appointed by FUJIAN HEXINGWANG, NDC shall appoint two directors, and the Treasury Registrar shall appoint two directors. Two board members out of five appointed by FUJIAN HEXINGWANG and two board members appointed by the Treasury Registrar shall be independent directors.
- b) The respective appointing authority shall bear the remuneration of independent board members.
- c) The Chairman of the Board of Directors of the JVC shall be one of the directors nominated by FUJIAN HEXINGWANG, and his appointment shall adhere to the procedure stipulated in the Shareholders Agreement.

6.2 Management and Operation of the JVC

- a) FUJIAN HEXINGWANG shall appoint personnel to hold the positions of Chief Executive Officer, Chief Financial Officer, and Chief Operations Officer. NDC shall also appoint personnel to hold the positions of Deputy

Chief Executive Officer, Chief Procurement Officer, Chief Human Resources Officer, and Deputy Chief Financial Officer

- b) The Deputy Chief Executive Officer, Chief Procurement Officer, Chief Human Resources Officer, and Deputy Chief Financial Officer appointed by NDC shall be JVC employees. They shall discharge the duties attached to those positions and participate fully in the operation and management of the project.

7. SHAREHOLDERS AGREEMENT

- a) The Parties agree that on or immediately after signing this Agreement, they shall prepare and sign the Shareholders' Agreement, which shall reflect the terms of this Agreement.
- b) The Parties agree that the Shareholders' Agreement and MEMARTs shall be in accordance with the requirements of the Mining Act and the Mining (State Participation) Regulations, 2022, as amended from time to time. The Shareholders' Agreement shall be attached to this JVA as **Schedule 1**.

8. PROJECT IMPLEMENTATION STRATEGY

The Parties shall discharge their obligations under this Agreement to ensure that the Maganga Matitu Project becomes operational within two years from the effective date. However, the timeline for the commencement of mining operations shall adhere to the licence conditions under the Mining Act.

8.1 Raw Materials

Iron Ore: The Maganga Matitu Project shall need iron ore as the primary raw material to meet the project requirements.

8.2 Use of Local Labour Professional Services and Materials

Under this Agreement:

- a) The JVC shall employ and train local Tanzanian employees to successfully implement the project per the Mining (Local Content) Regulations, 2018, as amended from time to time. Subject to the approval of the JVC Board of Directors and fulfillment of other requirements under the law, FUJIAN HEXINGWANG may engage foreign expatriates to implement the project.
- b) The sourcing for the professional services, technical experts, and procurement of raw materials, machines, and equipment unavailable in Tanzania shall adhere to the Mining (Local Content) Regulations, 2018, as amended from time to time.

8.3 Infrastructure

8.3.1 Internal Roads

JVC shall:

- a) Be responsible for the cost of the maintenance of all internal and project access roads within the Plant site;
- b) At its own cost, erect signposts and take other steps that may be reasonable in the circumstances to prevent any persons and vehicles other than those engaged in the JVC's activities and its invitees and licencees from using the internal roads.

8.3.2 Water Requirements

The JVC shall obtain the water rights requirements for its project operations per the law.

8.3.3 Power Supply

- a) Subject to the prevailing legal and regulatory conditions, the JVC shall obtain power from Tanzania Electric Supply Company (TANESCO) for project operations.
- b) NDC shall facilitate the issuance of consents, permits, and approvals to ensure a sufficient power supply from TANESCO for the project operations.

8.3.4 Land Use and Compensation

- a) *The JVC shall use the land and associated facilities to set up the project.*
- b) *FUJIAN HEXINGWANG shall compensate people affected by the project per the law. In addition, the amount of payable compensation shall strictly correspond to the approved Valuation Report on the project area.*

8.4 Corporate Social Responsibility

That JVC shall implement corporate social responsibilities as per the law.

9. TRANSFER OF MINERAL RIGHTS TO JVC

- a) Subject to the requirements under the law, NDC shall transfer mineral rights over the Maganga Matitu project area to the Joint Venture Company.
- b) FUJIAN HEXINGWANG, a holder of a majority interest in the mineral rights, shall not transfer her interest to another person or company without prior approval of NDC as stipulated in the Shareholders' Agreement.

10. MATERIALS DISCOVERED ON SITE

- 10.1 All fossils, coins, antiquity, other remains or archaeological interest, and burial sites discovered on the Project site at any time shall be deemed the property of the Government. Each Party shall be responsible for taking reasonable precautions to prevent its staff, labor, or other persons connected to it or otherwise from removing

or damaging any such article or thing. Persons who discover such a thing shall report it to the relevant authorities.

- 10.2 Where in the course of mining operations, the JVC discovers any mineral deposit of economic value other than licenced minerals, it shall give notice to the licensing authority of the said discovery, and such discovery shall be subject to negotiation to increase NDC shares provided that the negotiation shall only involve discoveries of minerals other than the licensed minerals.

11. OBLIGATIONS OF THE PARTIES

For their mutual benefit and to execute this JVA:

- a) NDC undertakes to acquire and transfer mineral, water, and land rights where required to the JVC, advise on community projects that the Parties may undertake, and assist the Parties with all local administrative matters.

- b) FUJIAN HEXINGWANG shall be solely responsible for the project funding (equity contribution of USD 77.45 Million (Seventy-Seven Million Four Hundred Fifty Thousand United States Dollars) as per the agreed Work Plan, Investment Plan, and Feasibility Study Report submitted to the Mining Commission and shall be responsible for industrial project design, workshop development, supply of machinery equipment, mineral production and provision of beneficiation technology, machine installation and commissioning of the plant as well as allowing access to NDC regarding patented technical and geological studies and other associated research findings.

12. PRINCIPLES OF GOOD FAITH

- 12.1 The Parties shall discharge their obligations in the JVA in utmost good faith to ensure the successful implementation of the project.

12.2 Availability of Information for Due Processes

The Parties undertake that all relevant information be made available to each other as timely as reasonably possible.

12.3 Timeous Availability of Auditors and Legal Counsel at Relevant Stages

The Parties undertake that when and where necessary, they shall ensure the timeous availability of both Auditors and Legal Counsel to support the conclusion of the processes contained in this JVA and, assuming a positive outcome to that, assist in the conclusion of the envisaged transaction.

12.4 Principle of Transparency

The Parties shall transparently share information to promote confidence in their business relationship. To avoid doubt, all JVC transactions shall be conducted in a manner in which NDC representatives are fully engaged, and all relevant information is fully disclosed.

13. WARRANTIES BY THE PARTIES

- 13.1 FUJIAN HEXINGWANG warrants the financial and technological ability to invest an estimated amount of USD 77.45 Million in the project as per the Work Plan and Investment Plan agreed by the Parties and the Feasibility Study Report submitted to the Mining Commission. The investment value shall be subject to the actual contributed or invested value injected into the project per the implementation phases indicated in the Work Plan and timelines indicated in the Investment Plan. The total amount of the final actual investment value contributed towards the project shall determine the shareholding structure and percentage of the shares owned by each Party. If FUJIAN HEXINGWANG invests less than the agreed investment value of USD 77.45 Million or invests the required capital without adhering to the Work Plan and the Investment Plan, her shares shall be diluted accordingly. The Work and Investment Plans are attached to this JVA as **Schedule 2 and 3** respectively.

- 13.2 Each Party warrants and represents to the others with respect to itself that it has total legal capacity, right, power, and authority to enter into and perform this Agreement and the Related Agreements to which it is a party in accordance with and subject to their respective terms, and that this Agreement and the Related Agreements to which it is a party have been duly authorised, executed and delivered by it and, assuming due execution by the other Parties hereto and thereto, are legal, valid, binding and enforceable agreements of it (and in the case of the Government, binding and enforceable upon all organs and agencies of the Government of the United Republic of Tanzania) in accordance with and subject to their respective terms. "Related Agreements" means the Shareholders Agreement, the Memorandum and Articles of Association for the JVC and subsidiary companies, and any other agreement referred to in this Agreement.
- 13.3 In so far as any of the warranties is promissory or relates to a future event, it shall be deemed given at the due date for fulfilling the promise or the event's happening, as the case may be.

14. SPECIFIC WARRANTS BY NDC

- 14.1 NDC warrants that it has not ceded or awarded its rights or made a contract with other parties to develop the Maganga Matitu Project area as defined under this Agreement and that all the rights held by it in respect of the Maganga Matitu Project are free of lien and are available to the JVC as defined in the Mining Act;
- 14.2 NDC warrants full, unencumbered land and exploration or mining rights over the Maganga Matitu Project area.
- 14.3 NDC warrants that it shall transfer its mineral rights over the Maganga Matitu Project area to the JVC within six (6) months from the effective date or within the shortest time possible after incorporation of the JVC. If there is a need to extend the timeline, NDC shall communicate to FUJIAN HEXINGWANG.
- 14.4 NDC warrants that it shall promote coordination among government departments for the smooth implementation of the project.

- 14.5 NDC warrants that it shall facilitate the issuance of consents, permits, licences, and approvals by the Government for developing and operating the Maganga Matitu Project.
- 14.6 NDC warrants that it shall facilitate or coordinate public security within the project area, and JVC shall bear the security costs.

15. FUJIAN HEXINGWANG CORPORATE STRUCTURE, STATUS, AND REGULATORY APPROVALS

- 15.1 FUJIAN HEXINGWANG warrants to file the Annual Returns with the Company Registry within three months from the date of execution of this Agreement.
- 15.2 FUJIAN HEXINGWANG warrants to file the necessary forms to the proper addresses of the company Secretary within three months from the date of execution of this Agreement.
- 15.3 FUJIAN HEXINGWANG warrants to file a form of change of address in case the company changes address concerning a properly registered address.
- 15.4 FUJIAN HEXINGWANG warrants that it has the financial resources or access to the financial resources and technology to perform its obligations under the JVA;

16. ASSIGNMENT AND MODIFICATION

- 16.1 No Party may assign or transfer any of its rights or obligations under this JVA (other than those rights which are expressly provided for in this JVA) without the prior written consent of the other Party, which rights and obligations shall be incapable of assignment or transfer without such consent, which consent not to be unreasonably withheld or delayed.

16.2 No amendment or change to any provision of this JVA, no consent to any departure by any Party from such provision, shall be effective unless it is made in writing and duly executed by authorised officers of both Parties. Any such amendment, change, or consent shall be effective only to the extent to or for which it may be made or given.

17. EFFECTIVE DATE, DURATION, AND RENEWAL

The JVA shall take effect on the date of signing and remain in force for twenty (20) years unless terminated. The JVA may be renewed by mutual Agreement between the Parties.

18. FURTHER ASSURANCE

18.1 It is expressly agreed that FUJIAN HEXINGWANG and NDC's rights and obligations towards each other as partners shall be governed by this JVA, which shall also prevail in the event of any ambiguity, discrepancy, inconsistency or conflict between this JVA and the Memorandum or Articles of Association of the JVC.

18.2 The Parties agree to use reasonable efforts to do all things necessary or desirable to give full effect to this JVA and refrain from doing anything that may hinder the performance of this JVA. The Parties shall maintain a high standard of business norms and comply with all the necessary rules and regulations.

19. FORCE MAJEURE

19.1 No Party shall be liable for delay in performance or for non-performance caused by circumstances beyond the control of such Party, including but not limited to wars, acts of terrorism, fires, floods, earthquakes, and any pandemic disease.

- 19.2 The parties agree to work together to resolve any issue that could arise during the implementation of this JVA which is likely to disrupt the implementation of the Maganga Matitu project, including, but not limited to, problems or interruptions posed by local communities at the Maganga Matitu project site.
- 19.3 The Party affected by such Force Majeure condition shall forthwith notify the other Party of the nature and extent thereof and shall make best efforts to mitigate such condition. If the Force Majeure condition in question prevails for a continuous period of one (1) month, the Parties shall enter into a bona fide discussion to alleviate its effect on this JVA by such alternative arrangement as may be fair and reasonable.
- 19.4 Any party whose obligations have been suspended shall resume the performance of such duties as soon as reasonably possible after the removal of the force majeure and shall so notify the other Party.

20. DISPUTE RESOLUTION

In the event of any dispute arising between the Parties in connection with this JVA:

- a) Neither Party shall take any steps against the other nor exercise any rights, whether regarding termination or otherwise until the dispute resolution procedure set out in this Clause has been exhausted.
- b) The respective Chairpersons of the Board of Directors ("CBDs") of the Parties shall forthwith meet in good faith to resolve the dispute without recourse to legal proceedings.
- c) In any meetings or proceedings to resolve the dispute amicably, the parties shall be protected by the laws of Tanzania.
- d) Where the CBDs do not resolve the dispute, either Party may request that the matter be referred to mediation and the mediator to be appointed with Agreement

by both Parties. Such mediation shall be completed within sixty (60) days from its commencement.

- e) *If the dispute is not resolved through mediation, the Parties shall resort to the dispute resolution mechanisms prescribed in the Shareholders' Agreement.*

21. TERMINATION

21.1 The Parties may terminate this Agreement under the following circumstances:

(a) Termination for Breach of Material Terms

Save as otherwise provided in this JVA, should any Party ("defaulting Party") commit a breach of any material provisions of this JVA and fail to remedy such breach within sixty (60) days or such longer period as may be reasonably required to remedy such breach after receiving written notice from the other Party ("aggrieved Party") requiring the defaulting Party to do so, then the aggrieved Party may, without prejudice to the aggrieved Party's other rights in law, terminate this JVA upon giving sixty (60) days' notice to the other Party of its intention to terminate the JVA or claim immediate specific performance of all of the defaulting Party's obligations whether or not due for performance, in either event without prejudice to the aggrieved Party's rights to claim damages.

(b) Termination for Breach of Obligations, Warranties, or Representations

In the event any Party breaches any of the obligations, warranties or representations provided in this JVA, the affected Party shall inform the breaching Party of its breach in writing, stating the specific nature of the material breach, and the breaching Party shall have sixty (60) days to remedy the breach and if the breach is not remedied to the reasonable satisfaction of the affected Party within the said period of 60 days, the affected Party may terminate the JVA by giving notice to the breaching Party of its intention to terminate the JVA.

(c) Termination by Mutual Consent of the Parties

By mutual consent, the Parties may terminate this Agreement by entering into the Joint Venture Termination Agreement in deadlock cases.

21.2 Termination of all or part of this Agreement shall not affect or prejudice any rights or obligations that have accrued or arisen under this Agreement prior to the time of termination, including any liability, whether accruing before or after such termination, which arises out of activities or operations conducted prior to such termination, and such rights and obligations shall survive the termination of all or any part of this Agreement.

21.3 Response by the Breaching Party

Upon receipt of the notice of intention to terminate the Agreement, the breaching Party may respond to the notice within thirty (30) days from the date of receipt.

21.4 Confirmation of the Intended Termination

The affected Party may confirm its intention to terminate the Agreement within seven (7) days from the breaching Party's receipt of the response. If no response is received, the affected Party may confirm the intended termination within seven (7) days from the expiration date of the thirty (30) days period given to the breaching Party to respond.

21.5 Consequences of Termination

Any termination of this Agreement by either Party shall not necessarily result in the abandonment of the project, and subject to the applicable legal requirements, NDC and the Investor shall have the right to pursue the project and any similar projects in Tanzania and to use information developed in pursuance of this JVA subject to the confidentiality obligations set forth in Clause 25.

22. REVIEW AND MODE OF AMENDMENTS

An amendment, supplementation, variation, or modification of this Agreement shall not be effective unless it is in writing and signed by the Parties. Any amendment to this Agreement shall be made through an Addendum duly signed by both Parties.

23. LEGAL RELATIONSHIP

The Parties shall act in all matters pertaining to this JVA as independent parties, and nothing contained herein shall constitute any of them as partner, agent, or representative of the other Party.

24. NOTICE

- a) All notices or other communications to be given or made hereunder shall be in English and in writing, shall be addressed for the attention of the persons indicated below and shall be delivered personally or sent by ordinary prepaid post, courier or e-mail. The addresses of the Parties shall be:

NDC:

Managing Director,
Development House,
Ohio Street/Kivukoni Front,
P. O. Box 2669,
DAR ES SALAAM.
Fax: (+255 -22) 211 361 8
Tel: (+255-22) 2112893, 2111460/1
Email: info@ndc.go.tz

FUJIAN HEXINGWANG:

Managing Director,
Plot No. 24, Block No.C, Kisemvule, Mkuranga,
P. O. BOX 63069
DAR ES SALAAM
Mobile: +255 765 808888

Email: hexingwang168@gmail.com

- b) Except as otherwise expressly provided in this Agreement, all notices shall be deemed to have been delivered:
- (i) when delivered by hand or by overnight courier, or ordinary prepaid post, on the delivery date.
 - (ii) in the case of email, at the earliest of:
 - 1) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - 2) the time that the intended recipient confirms receipt of the email by reply email; and
 - 3) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three-hour period, an automated message that the email has not been delivered,
 - (iii) and if received after business hours or on a day that is not a business day for the receiving Party, on the receiving Party's first business day following the date transmitted by e-mail to the receiving Party's e-mail address. Any notice given by e-mail shall be confirmed in writing, delivered personally or sent by ordinary prepaid post or courier, but the failure to so confirm shall not void or invalidate the original notice if no transmission error report was produced at the time the sending Party transmitted that original e-mail notice.
- c) Service of any document for the purposes of any legal proceedings concerning or arising out of this Agreement may be effected by any Party by causing it to be delivered to the relevant Party at the address set out in this Article, or to such other

address as may be notified to it by that Party in writing in accordance with this Article.

- d) Any Party may, by notice in writing to the other Party, change the physical address and/or e-mail address to which such notices and communications are to be delivered, mailed, or sent.

25. DISCLOSURE OF INFORMATION AND CONFIDENTIALITY

- a) Subject to legal conditions applicable in Tanzania, all information supplied to the Parties relating to this JVA shall be treated confidential.
- b) The Contracting Parties and their respective counsel represent and agree that, except for matters of public record as of the date of this Agreement, they shall keep the terms and contents of this Agreement confidential and that they shall not hereinafter disclose the terms of this Agreement to other persons except as compelled by applicable law or to individuals who need to know about this Agreement and its contents, such as Contracting Parties' legal counsel, tax advisors, financial system or other retained professional representatives, all of whom shall be informed and bound by this confidentiality clause. In no event shall any party make or cause to be made any comment, written statement, or press release to any member of the media concerning the fact of this settlement or the substance or terms of this settlement.

26. GOVERNING LAW

This JVA shall be governed by, and construed in accordance with, the laws of Tanzania.

27. TRANSFER PRICING

- (a) The JVC shall trade or deal with its shareholders or shareholders' affiliates or sister companies after obtaining written approval of the Board of Directors of the JVC. Where such approval is issued, the JVC shall deal with such

shareholders, shareholders' affiliates, or sister companies at arm's length and in compliance with Transfer Pricing Rules.

(b) All transactions between the JVC and her associates shall be at arm's length.

28. COSTS AND EXPENSES

The costs and expenses to be incurred by either Party in discharging its obligations under this JVA shall be incurred in the manner provided in this JVA.

29. COUNTERPARTS

This JVA may be entered into in any number of counterparts and by the Parties to it on separate counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but taken together, they shall constitute one and the same instrument.

30. SUCCESSORS IN TITLE

This Agreement is for the benefit of the Parties and their successors and assignees. This Agreement binds the Parties and their successors and assignees. A Party may not assign or deal with or purport to assign or deal with its rights under this Agreement without the prior written consent of the other Parties. Assignment of the mineral rights shall be subject to the Mining Act.

31. NO WAIVER

Any Party's failure to enforce at any time or for any period, any provision of this JVA or to exercise any right or remedy does not constitute a waiver of such provision, right, or remedy or prevent such Party thereafter from enforcing any or all provisions

and exercising any or all rights and remedies. The exercise of any right or remedy does not constitute an election or prevent the exercise of any or all rights or remedies.

32. SEVERABILITY

If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. To the extent that any provision is found to be invalid, illegal or unenforceable, the Parties shall act in good faith to substitute for such provision, to the extent possible, a new provision with content and purpose as close as possible to the provision so determined to be invalid, illegal or unenforceable.

33. BUSINESS ETHICS

- a) The Parties shall cause the JVC to conduct its business in accordance with the highest ethical standards. The JVC shall be managed on sound business principles and practices and comply with generally accepted accounting norms.
- b) The Parties acknowledge that the certainty of the project is key in supporting *investment confidence and ensuring the growth of the implementation of the Maganga Matitu Project. Therefore, this JVA records the Parties' joint desire to create an atmosphere of business certainty and investment confidence pertaining to the Maganga Matitu Project.*

34. BINDING NATURE OF THIS JVA

The parties acknowledge and agree that this JVA is binding on them and is of full force and effect, and further agree that the following documents shall form an integral part of this JVA:

- a) Shareholders' Agreement.
- b) JVC Memorandum and Articles of Association.
- c) Definitive Feasibility Study.
- d) Joint Financial Model.
- e) Work Plan.
- f) Investment Plan.
- g) Tender No. PA/068/NDC/2020/2021/INV/01.
- h) Notification of Award letter with Ref. No. 34/248/01/22 dated 21st October, 2020.

35. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, representations, undertakings, negotiations, and discussions, whether written or oral. There are no terms, undertakings, conditions, covenants, agreements, or other provisions, express or implied, collateral or otherwise, relating to the subject matter hereof except as expressly set forth herein. This Agreement may only be amended, varied, supplemented, or otherwise modified by an instrument in writing signed by each Party.

IN WITNESS WHEREOF the Parties have executed this Agreement.

For and on behalf of NDC:

Name: **NICOLAUS HERMAN SHOMBE**

Position: **Managing Director**

Signature: *Shombe*

Official Stamp:

Date: **02/09/2024**



WITNESS:

Name: ARNOLD ARNORY GESASIG

Position: Corporation Secretary

Signature: [Handwritten Signature]

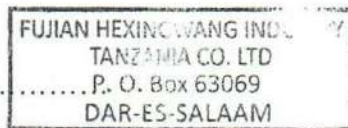
Date: 02 AGOSTI 2024

For and on behalf of FUJIAN HEXINGWANG:

Name: XU XINGDA

Position: Managing Director

Signature: [Handwritten Signature]



Date: 02/08/2024

WITNESS:

Name: MARUBA MUSAFA

Signature: [Handwritten Signature]

Qualifications: Advocate

Date: 02/08/2024