

CONTRACT

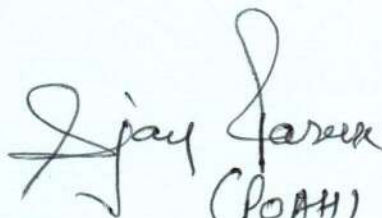
BETWEEN

PROSPEROUS MINING COMPANY LIMITED

And

SISTI SYLVESTER MGANGA

Drawn by:
BETA Law
6th Floor, Tanzanite Park, Victoria,
Plot. 38, South Ursino,
New Bagamoyo Road,
P.O. Box 8673, Dar es Salaam
info@betalaw.co.tz


(POAH)
Ajay Kumar Pareek



CONTRACT

Between

PROSPEROUS MINING COMPANY LIMITED

And

SISTI SYLVESTER MGANGA

For

Business undertaking on specific terms for operation of mining and related activities and trading in Granite and other Minerals

THIS CONTRACT is made as of this..... day of **DECEMBER, 2024**

BETWEEN:

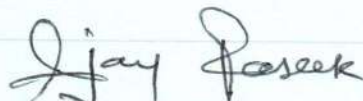
1. **PROSPEROUS MINING COMPANY LIMITED**, a Limited Company by shares entity duly incorporated in TANZANIA with TAX identification number **180-420-215** whose registered office for the purposes hereof of situated in Dodoma, TANZANIA with physical address at Plot no.55 Block No.AB, Massi, Madukani, Dodoma, Tanzania (hereinafter called the "1st Party" which expression shall, where the context so requires, include the personal representatives, heirs and assigns);

AND

2. **SISTI SYLVESTER MGANGA** a natural person and Citizen of the United Republic of Tanzania, bearing citizen Identity Card no.**19580918-12104-00001-26**, working for gain within the city of Dar es Salaam, Tanzania of Post Office Box Number 62763, Dar es Salaam (hereinafter called the "2nd Party" which expression shall, where the context so requires, include his personal representatives, heirs, successors in title and assigns);

PREAMBLE

WHEREAS the 1st Party is a company whose main objects include but are not limited to mining of Granite, Quartz, Nickel etc., and is desirous to invest and operate mining quarries in Tanzania, willing and committed to inject capital and resources into the aforementioned business and is on that note, willing to work with the 2nd party;


(POAH)

Ajay Kumar Parsook


21 Page

FURTHER WHEREAS the 1st Party is intending to set up and establish, erect, construct, purchase, rent, import, lease, install, run, operate mine and administer plants, machinery, equipment and factories to carry out such functions as necessary to produce, market and trade in granite blocks, its products and other minerals in Tanzania;

WHEREAS the 2nd party is an owner of below mentioned Primary Mining Licenses at **ITISO** area in **CHAMWINO** District and is willing to make the same available and viable for the joint venture business with the 1st Party, such licenses being:

- i. PML 3887 DOM, PML 3888 DOM, PML 3889 DOM collectively annexed as A-1

WHEREAS the 2nd party is further to that, is an experienced and seasoned engineer with vast experience in exploration/prospecting mining and related activities and is equally willing to work jointly with the 1st party;

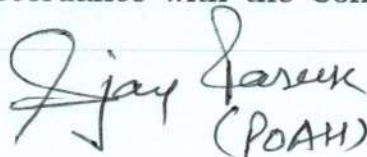
NOW, THEREFORE, the parties hereto mutually agree as follows:

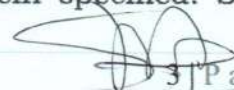
1. CONTRACT DOCUMENTS

- 1.1 This document constitutes the entire Contract (hereinafter referred to as. the "Contract") between the Parties:

2. DEFINITIONS

- 2.1 For the purpose of the contract documents, the words and expressions below shall have the meanings as follows:
 - a) "EIA" means Environmental Impact Assessment
 - b) "Event of Default" means any material or substantial failure by a party to the Contract to perform its obligations or responsibilities under the Contract giving rise to the remedies provided in the Contract.
 - c) "The Project" means the works to be executed and maintained in accordance with the Contract as herein specified. Such


(POAH)
Ajay Kumar Pareek


3 Page

works shall include all mining and associated activities to be preferred in the specified mining licenses under this Contract.

- d) "PML" shall mean the Primary Mining License as specified in the preamble to this contract.
- e) "ML" shall mean the Mining License as shall be qualified and converted by the 2nd Party.

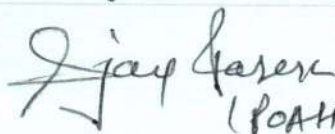
2.2 Words importing persons or parties shall include firms or companies and words importing the singular only, it shall also include the plural, and vice versa, where the context so requires. Use of pronouns or other words indicating the male gender shall also mean the female gender, and vice versa, where the context so requires.

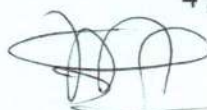
3. COMMENCEMENT & DURATION

- 3.1 This Contract shall commence from the date each party has subscribed thereto, signed and have the contract duly attested.
- 3.2 The Contract shall be open ended in terms of cessation time and shall continue to operate in as long as the parties' intentions and obligations and in perpetual operation.
- 3.3 The Contract shall be executed in two main phases. The first Phase shall be under Primary Mining License, whereby the 1st Party possess the PML's which shall be used for the mining operations.
- 3.4 The 1st Phase shall further to the above, require the 2nd Party to initiate and expedite the process of converting the PMLs specified herein above into Mining License which shall further be transferred to the 1st Party in phase 2.
- 3.5 Phase 2 shall commence immediately upon completion of the objects of phase 1, that is, conversion of the PMLs to ML and transfer of the ML to the 1st Party.
- 3.6 Phase 2 shall require that, within 30 days after signing of this contract, the 2nd Party shall initiate and expedite the process of converting the PML's into ML's that shall involve engaging a competent consultant in EIA and feasibility study etc. Once the ML has been obtained the 2nd Party shall within 15 days initiate and expedite the process of transferring ML's from the 2nd Party into the Joint Venture company.

4. ARTICLE 6. CONSIDERATION

- 4.1 The 2nd Party shall be entitled to and shall be paid USD 25 per


(POAH)
Ajay Kumar Pasarek

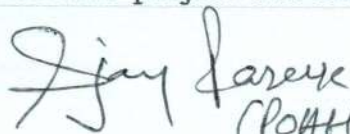


Cubic Meter for each exported quantity of Granite produced in the project under the PML or ML designated for project purposes. In case of any other mineral that may be discovered and mined; the terms of operation shall be mutual agreed between and by both parties.

- 4.2 The 2nd Party shall be entitled and shall be paid USD 10 per Cubic Meter for domestically sold Granite and its products produced in the project.
- 4.3 The payments shall be computed transparently by the 1st Party and shall be due to the 2nd Party per every respective export made or every domestic sale made in pursuance to the contract.
- 4.4 Both Parties reserves the right to request revision of the payment terms indicated above following substantial changes in the currency value or in the produce value. However, such requests will be entertained only once in every 3 years and shall be settled through mutual agreement of the parties.

5. 1st PARTY'S RIGHTS, OBLIGATIONS & RESPONSIBILITIES

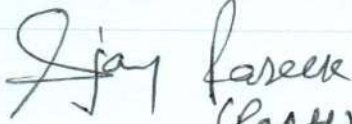
- 5.1 The 1st Party shall be the Investor in the contract business and shall on that note assume and perform obligations underpinned with investment purposes as shall be specified hereunder.
- 5.2 The 1st Party shall ensure that a Joint Venture company is established within the laws of the United Republic of Tanzania for furtherance of the objects of this contract in phase 2 of the project.
- 5.3 The 1st Party shall finance the operation of the project by injecting capital and funds to operate the mining operations and associated works in the PML and subsequently ML as shall be specified in the License.
- 5.4 The 1st party shall establish, erect, construct, purchase, rent, import, lease, install, run, operate and administer plants, machinery, equipment and factories to carry out such functions as necessary to produce, market and trade in Granite blocks and its products. Machinery, equipment and other assets brought in by the 1st party shall always belong to the 1st party only and the 2nd Party shall not have any ownership on such machinery, equipment and other assets. However, the 1st Party shall compute the rentals of all machinery, equipment etc at the local market rate into the calculation of the expenses incurred into the Phase-1 and Phase 2 operations. Further, 1st Party has to right to bring in and take out any machinery, equipment etc any time of his choice from the project site and 2nd party shall not have any


(POAH)
Ajay Kumer Pareek



right to object to such decisions and actions.

- 5.5 The 1st Party shall provide technology, technical assistance and know-how, human resources and associated input for the furtherance of the objects of the business as the former shall deem fit and adequate to the extent permitted by law i.e., in consideration of the local content regulations governing the mining sector.
- 5.6 The 1st Party shall keep and maintain in proper manner, all records, documents, ledgers, books of accounts, contracts, invoices, purchase orders, payment orders, receipts and all forms of records associated with the project business and shall where reasonably required assist the same to be availed to the 2nd Party for specific purposes of consideration as shall be specified in the subsequent part of the Contract.
- 5.7 The 1st Party shall seek for, explore and provide marketing avenues and outlets, both domestically and internationally, for the granite blocks and its products that shall be mined in the project.
- 5.8 The 1st Party shall be and remain in all phases, the exclusive mining contractor in the project, and shall have exclusive mining and marketing rights over the project and exclusive interests in revenue generated therefrom subject to payment of consideration to the 2nd Party, and in furtherance of that, the 2nd Party shall not interfere or intermeddle in the mining operations of the project unless specifically called for intervention by the 1st Party.
- 5.9 The 1st Party shall have all the rights on the project produce i.e., Granite blocks and associated minerals.
- 5.10 The 1st Party shall pay the 2nd Party the consideration agreed herein in this Contract and any changes to the same shall be documented and annexed to this Contract.
- 5.11 The 1st Party shall be responsible for all taxes, levies, and or resultant penalties if any, emanating from the operation of the project business, as well as all the duties associated in the importation of equipment and machinery which shall always be the property of the 1st party.
- 5.12 The 1st Party shall, be responsible for 75% and 2nd party 25% of the costs and expenses required in furtherance of the obligations of the 2nd Party as regards to contributions needed and related to discharging Corporate Social Responsibility to the local community.
- 5.13 That after the completion of the 1st Phase, the 1st Party shall cause for the 2nd Party to be issued with and allotted 5% of


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Ajay Kumar Passek

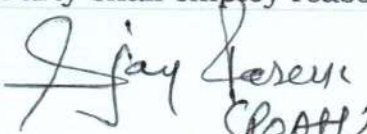


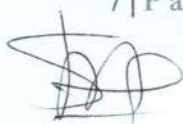
shares of the Joint Venture company or another designated company in lieu of the Joint Venture company, that will assume and operate the business project following the transfer of the ML into the latter. *(Parties agree that the transfer of the shares shall be documented in a Share Holding Agreement to later be annexed as part of this Contract). However in lieu of the 5% shares shall in the joint Venture Company the same consideration mentioned in Article shall apply)*

- 5.14 The joint venture company, after transfer of the ML thereto, will take over the project operation and will on that note, assume the responsibilities of the 2nd Party except the ones mentioned in Article 5.12 above.
- 5.15 All expenses means the funds injected, machinery rental calculation at the market rates for the machinery deployed by the 1st party, opportunity costs of the directors time without salary or salaries of paid travel and all other direct and indirect expenses incurred which are related to the project; shall be treated as a loan to the 2nd party during Phase 1. Further, all such amounts of Phase 1 shall be recovered from the project in the subsequent stages at justifiable qualification without prejudice to the 2nd Party's rights hereunder. However the same amount as mentioned above shall be transferred to the joint venture company during Phase 2 which involves the transfer of ML to the Joint Venture Company.
- 5.16 The 1st Party shall operate mining and trading of the produce resultant therefrom in total compliance to the applicable laws and regulations in place governing mining sector in Tanzania.
- 5.17 All subsequent extensions to this Contract, between the parties and any subsequent extension of licenses associated in this Contract shall take on board and be interpreted in the spirit of this Contract unless otherwise expressly stated.

6. 2nd PARTY'S RIGHTS, OBLIGATIONS & RESPONSIBILITIES

- 6.1 The 2nd Party shall procure, maintain and make available for the project all the agreed and required PMLs and later on ML as anticipated in the 2nd Phase of the project.
- 6.2 The 2nd Party shall qualify the PMLs required for this project and have the same ready for conversion into ML as agreed in this Contract and in furtherance of Article 3.4 of this Contract.
- 6.3 The 2nd Party shall cause for the ML later on procured in Dodoma Region to be transferred to the Joint Venture Company that shall be formed or designated by the 1st Party to usurp and administer the project in phase 2.
- 6.4 The 2nd Party shall employ reasonable skills and experience to


Jay Kumar Pareek

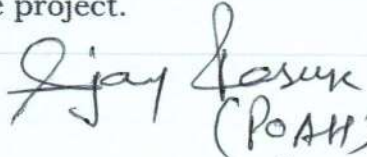
7 | Page


expedite the procurement and qualification as well as transfer of all licenses required in the project as agreed herein under.

- 6.5 The 2nd Party shall be responsible for liaison activities associated with the Project, and on that note shall cause for all necessary preparations, approvals and permits from local government authorities, its agents and/or officers and villagers, are timely procured and made ready for the project business.
- 6.6 The 2nd Party shall be responsible for 25% of the charges and associated costs that will be required in furtherance of his obligations in liaison activities. The same will include but not be limited to social contributions needed for Corporate Social Responsibility associated with the project.
- 6.7 The 2nd Party shall not interfere or intermeddle in the mining operations of the project unless specifically called for intervention by the 1st Party.
- 6.8 The 2nd Party shall be entitled to consideration as agreed in this Contract.
- 6.9 The 2nd Party shall be entitled to issuance, allotment and/or transfer of 5% of shares in his favor, by the Joint Venture Company that shall be formed or designated to operate the project business in consideration of the ML transferred by him to such company.
- 6.10 The 2nd Party shall cause for a Power of Attorney to be executed from himself to a representative designated by the 1st Party to facilitate day to day operations and requirements of the project that will specifically call for the 2nd Party's authorization; this will include processing of permits, approvals and associated tasks that will be specified in the Power of Attorney.
- 6.11 That the 2nd Party for the purposes of Consideration agreed herein, reserves his rights to request, seek and examine the necessary records that are applicable in determination of consideration agreed hereunder in his favor.
- 6.12 The 2nd Party shall have priority rights over other domestic markets/buyers for the project produce, subject to the same payment terms and conditions offered by other buyers.

7. PERFORMANCE BOND

- 7.1 Each party to this Contract undertakes that they have read and understood the rights, obligations and responsibilities herein under and commits to discharge them with utmost proficiency, professionalism and honor in furtherance of the objects of the project.


(POAH)
Ajay Kumar



8. INDEMNITY

- 8.1 The 1st Party shall be responsible for all liabilities that shall arise due to his action upon complying with the contract herein and the laws of the land in general.
- 8.2 The 2nd Party shall indemnify against all actions, proceedings, liabilities, claims, losses, damages, costs and expenses in relation to or arising out of his actions that will/may lead to the breach of this contract or any actions that may lead to the cancellation of the licence.

9. SEVERABILITY

The invalidity, illegality or unenforceability of any provision of this Contract shall not affect the validity, legality or enforceability of any other provision of this Contract.

10. DISPUTE RESOLUTION

- 10.1 **Amicable Settlement:** The parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.
- 10.2 Nothing in this Contract shall take away the rights of either party to request the other to submit the dispute for Arbitration and when the same is the case, the parties shall be taken to have agreed to Arbitration as regulated by the Laws of Tanzania.

11. APPLICABLE LAW

- 11.1 This Contract, upon its endorsement by the Parties, shall be a legal binding document interpreted and governed by the Laws of the United Republic of Tanzania and shall be used legally in case of breach of the rights, obligations, terms and conditions contained herein or implied by law to the extent applicable.

12. FORCE MAJEURE, CHANGES IN GOVERNMENT REGULATIONS

- 12.1 In the event of and as soon as possible after the occurrence of

Ajay Kumar
(POAH)
Ajay Kumar



any cause, constituting force majeure the either party shall give notice and full particulars in writing to the other, of such occurrence or change. In such event neither party shall be attributed with liability resultant therefrom without prejudice to any mitigating measures that may be devised and agreed upon by the parties.

- 12.2 Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 12.3 Changes on Government Regulations as used in this Article implies substantial change in laws, rules, policies or guidelines that directly affect the obligations of either party in this Contract and one which may have a material impact in the furtherance of the objects of the Project.

13. NOTICES

- 13.1 All notices and other communications required or contemplated under this Contract shall be in writing in the English language and shall be delivered either by hand or sent by registered or certified mail, return receipt requested, or confirmed facsimile transmission and addressed as follows:

For the 1st Party:

PROSPEROUS MINING COMPANY LIMITED

Email Address: prosperousmining@gmail.com

Cell No: +91 97993 98989

Physical Address: Plot No.55 Block No.AB, Massi Dodoma

For the 2nd Party:

SISTI SYLVESTER MGANGA

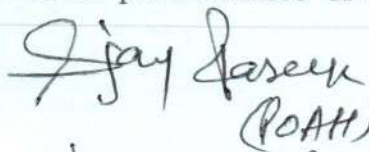
Email Address:mgangasb@yahoo.com

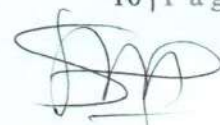
Cell No.+255 652 434 161

P.O. Box 62763, Dar es Salaam

14. GENERAL.

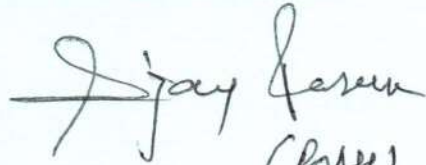
- 14.1 This contract does not affect any other Contract which the 1st Party has entered into with the Acquirer in respect of any other transaction or matter, nor any other Contract which it may enter.
- 14.2 Neither Party may assign any of its rights or obligations under this Contract without the prior written consent of the other Party.
- 14.3 Failure of either Party in any one or more instances to insist on strict performance of any of the terms herein, shall not



(POAH)
Ajay Kumar Pareek



thereafter be construed as a waiver of the right to insist upon such performance, nor shall a waiver of any breach of any terms or conditions herein be thereafter construed as a waiver of such terms or conditions, which shall continue in full force and effect as though no such waiver had ever occurred.

- 14.4 In the event that any provision of this Contract is found for any reason to be invalid, illegal or unenforceable in any respect, this Contract shall be construed as if such invalid, illegal or unenforceable provision was not a part of this Contract, and the Contract shall be carried out as nearly as possible in accordance with its original terms and intent.
- 14.5 This Contract may be executed in two or more counterparts, each of which is deemed to be an original and all of which constitute the same Contract.


(POA)
Ajay Kumar Pareek



IN WITNESS WHEREOF, the Parties hereto have signed this Contract personally and/or through their authorized representatives on the dates indicated herein below:

For and on behalf of 1st Party

PROSPEROUS MINING COMPANY LIMITED

Ajay Kuman Pareek

Name: Ajay Kuman Pareek

Name: _____

Title: POAH
Power of Attorney Holder

Title: _____

Date: 19/12/2024

Date: _____



2nd Party

Sisti Sylvester Mganga
Name: _____

Title: *Sisti Sylvester Mganga*

Date: 19th Dec. 2024

WITNESS TO THE ABOVE SIGNATURES:

NAME: BENSON KITANG'ITA KISAMARWA

SIGNATURE: 

ADDRESS: PO BOX 8673, DAR ES SALAAM

DESIGNATION: NOTARY PUBLIC

DATE: 19/12/2024



Ajay Kumpas Pareek
(BOAH)

