

COMPENSATION AGREEMENT IN TERMS OF SECTION 52 OF THE MINERALS (PROSPECTING AND MINING)
ACT, 1992

between

OSINO FARMING INVESTMENTS (PROPRIETARY) LIMITED

SG MINING CLOSE CORPORATION

ZHONG RESOURCES NAMIBIA (PROPRIETARY) LIMITED

W. H. H.
Z.
eng.

A. PARTIES TO THIS AGREEMENT

The Parties to this Agreement are:

1. **OSINO FARMING INVESTMENTS (PROPRIETARY) LIMITED**, registration number 2020/0081, a private company incorporated under the laws of Namibia with its registered office c/o CRVW at 29 Feld Street, Windhoek (hereinafter referred to as the "**Owner**");
2. **SG MINING CLOSE CORPORATION**, registration number CC/2024/02098, a close corporation incorporated under the laws of Namibia with its chosen *domicilium citandi et executandi* at mining claim MC 71544, Farm No. 46 Okawayo, District of Karibib (herein referred to as "**SG Mining Close Corporation**"); and
3. **ZHONG RESOURCES NAMIBIA (PROPRIETARY) LIMITED**, registration number 2023/1226, a private company incorporated under the laws of Namibia with its chosen *domicilium citandi et executandi* at mining claim MC 71544, Farm No. 46 Okawayo, District of Karibib (herein referred to as the "**Guarantor**").

B. AGREEMENT

The Parties hereto agree as follows:

1. Definitions and Interpretation

Definitions

1.1 In this Agreement the following words and expressions shall have the following meanings:

1.1.1 "**Accessory Works**" has the same meaning as given to that term in *Minerals (Prospecting and Mining) Act, 1992*;



- 1.1.2 “**Agreement**” means this document and includes the **Schedules**;
- 1.1.3 “**Authorised Mining Operations**” means the Mining Operations intended to be conducted by the Licence Holder in the Mining Area in terms of the provisions and official work programme of the Licence, and, at the Signature Date, means the Mining Operations set out in **Schedule 2 – Authorised Mining Operations**, it being agreed that such Mining Operations shall not materially differ from and shall not to exceed the specifications, methodology and extent of any official work programme approved by the Minister in respect of the Licence from time to time;
- 1.1.4 “**Compensation**”, in respect of the Rights granted by the Owner to the Licence Holder in terms of this Agreement to conduct the Authorised Mining Operations within the Mining Area, means the compensation payable by the Licence Holder in terms of the provisions of Clause 5 read with the principles and further provisions of **Schedule 4 – Compensation** (such compensation being compensation contemplated in section 52(1) of the *Minerals (Prospecting and Mining) Act, 1992*, i.e. compensation for the impact of the Authorised Mining Operations on the Farm), and the term “**compensate**” shall have a corresponding meaning;
- 1.1.5 “**Corrupt Practice**” has the meaning given to that expression in the *Anti-Corruption Act, 2003*;
- 1.1.6 “**Environmental Rehabilitation Contributions**” means the monthly contributions to be made by the Licence Holder into the Environmental Trust Fund for the purposes of meeting the Licence Holder’s obligations under the Licence Holder’s environmental management plan and mine closure plan, as further set out in **Schedule 5 – Environmental Rehabilitation Contributions**;
- 1.1.7 “**Environmental Trust Fund**” means a trust fund to be held by an independent third party (including any special purpose trust established



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by the Parties, any trust arrangement, legal practitioner or other fiduciary or escrow agent) appointed by written agreement between the Owner and the Licence Holder for the purposes of receiving and holding the Environmental Rehabilitation Contributions;

1.1.8 **"Equipment"** means any machinery, equipment or plant employed by the Licence Holder for the purposes of the Authorised Mining Operations;

1.1.9 **"Excluded Areas"** means areas or structures excluded from the Mining Area and within which the Licence Holder may not exercise any of the Rights granted to it in terms of this Agreement, (i) including restricted areas as stipulated in section 52 (1) (b), (c) and (d) of the *Minerals (Prospecting and Mining) Act, 1992* and (ii) any area designated by the Owner in **Schedule 3 – Depiction of Mining Area** as being excluded from the Rights granted in terms of this Agreement;

1.1.10 **"Farm"** means the immovable property described as -

Certain: Remaining Extent of the Farm Okawayo No. 46;

Situated: Registration Division "H", Erongo Region;

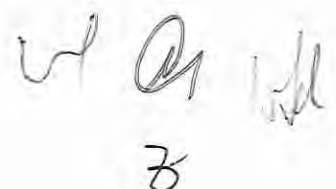
Measuring: 7041,8954 (seven zero four one, comma eight nine five four) hectares;

Held by: the Owner under Deed of Transfer T 3033/2023;

1.1.11 **"Guarantor"** means Zhong Mei Engineering Group (Proprietary) Limited as identified under the heading "Parties to this Agreement", in its capacity as operator of the Licence and as guarantor of the obligations of the Licence Holder;

1.1.12 **"Law" or "Laws"** means the laws of Namibia as per the provisions of article 66 read with article 140 of the Namibian Constitution;

- 1.1.13 "Licence" means mining claim MC 71544, granted and issued by the Minister to the Licence Holder in respect of the dimension stone group of minerals in terms of the provisions of the *Minerals (Prospecting and Mining) Act, 1992* and includes any renewal thereof;
- 1.1.14 "Licence Area" means the area over which the Licence extends as schematically depicted in the official Licence document and in respective official Ministerial documents evidencing the Licence from time to time;
- 1.1.15 "Licence Holder" means –
- 1.1.15.1 SG Mining Close Corporation, as identified under the heading "Parties to this Agreement", in its capacity as the holder of the Licence;
- 1.1.15.2 the Guarantor, as identified under the heading "Parties to this Agreement", in its capacity as operator of the Licence and as guarantor of the obligations of SG Mining Close Corporation;
- 1.1.16 "Minerals (Prospecting and Mining) Act, 1992" means the Namibian parliamentary statute by that name;
- 1.1.17 "Mine", when used as a verb, has the same meaning as given to that term in the *Minerals (Prospecting and Mining) Act, 1992* and the term "Mining" has a corresponding meaning;
- 1.1.18 "Mining Area" means that portion of the Licence Area extending over the Farm, as indicated and depicted as such in **Schedule 3 – Depiction of Mining Area**, but excludes any Excluded Areas;
- 1.1.19 "Mining Operations" has the meaning given to that term in the *Minerals*

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(Prospecting and Mining) Act, 1992;

- 1.1.20 **"Minister"** means the Namibian Minister of Mines and Energy;
- 1.1.21 **"Ministry"** means the Namibian Ministry of Mines and Energy;
- 1.1.22 **"Operational Staff"** means all natural persons acting for and on behalf of the Licence Holder in connection with any Mining Operations, including the Guarantor, the Licence Holder's employees, consultants, contractors, sub-contractors or agents;
- 1.1.23 **"Owner"** means Osino Farming Investments (Proprietary) Limited, as defined under the heading "Parties to this Agreement";
- 1.1.24 **"Parties"** means the Owner, the Licence Holder and the Guarantor and **"Party"** means any one of them, as the context may indicate or require;
- 1.1.25 **"Rights"** means the rights granted by the Owner to the Licence Holder in terms of this Agreement, and, more specifically, as set out in Clause 4;
- 1.1.26 **"Schedule"** means the documents appended to and forming integral part of this Agreement, being -
 - 1.1.26.1 **Schedule 1 – Copy of Licence;**
 - 1.1.26.2 **Schedule 2 – Authorised Mining Operations;**
 - 1.1.26.3 **Schedule 3 – Depiction of Mining Area;**
 - 1.1.26.4 **Schedule 4 – Compensation;**
 - 1.1.26.5 **Schedule 5 – Environmental Rehabilitation Contributions;**



1.1.26.6 **Schedule 6 – Agreed Form Arbitration Rules; and**

- 1.1.27 **“Signature Date”** means the date of signature of the last of the Parties hereto.

Interpretation

- 1.2 In this Agreement, unless the context indicates otherwise, a reference to –

- 1.2.1 this Agreement includes any written and signed variation, amendment or substitution of this document;

- 1.2.2 a **“Clause”** is a reference to a numbered section of this Agreement;

- 1.2.3 a statute includes any –

- 1.2.3.1 regulations made under such statute;

- 1.2.3.2 amendment, re-enactment or substitution of such statute from time to time;

- 1.2.4 a person includes a reference to any natural person, firm, body corporate, unincorporated association or partnership, joint venture, trust and unincorporated association, the state or local government or regulatory department, body, instrumentality, agency, minister or the authority having jurisdiction over any of the Parties;

- 1.2.5 a person includes a reference to that person’s legal personal representatives, executors, administrators, heirs, successors in title and substitutes and permitted cessionaries, delegates and transferees;

- 1.2.6 one gender includes all genders;

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- 1.2.7 time is a reference to Namibian time as per the *Namibian Time Act, 2017*, and the following construction shall apply to time matters:-
- 1.2.7.1 if a period of time is specified and the period dates from a given Day or the Day of an act or event, it is to be calculated exclusive of that Day and if a period of time is specified as commencing on a given Day or the Day of an act or event, it is to be calculated inclusive of that Day;
 - 1.2.7.2 if the time for performing an obligation under this Agreement expires on a Day that is not a business Day, time will be extended until the next business Day;
 - 1.2.7.3 a reference to a month is a reference to a calendar month;
 - 1.2.7.4 a reference to a "Day" is a reference to any Gregorian calendar Day;
 - 1.2.7.5 a reference to a "Business Day" is a reference to any Day other than a Saturday, Sunday or public holiday in Namibia.
- 1.2.8 Clause headings appear in this Agreement for reference purposes only and shall not be employed in the construction of this Agreement.
- 1.2.9 Any provision of this Agreement imposing a restraint, prohibition, or restriction on the Parties shall be so construed that the Parties are not only bound to comply therewith, but are also obliged to procure that the same restraint, prohibition, or restriction is observed by any third party engaged by, or acting under the authority or with the consent of the Parties.
- 1.2.10 Where any term is defined within the context of any particular Clause in this Agreement, the term so defined, unless it is clear from the Clause in

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question that the term so defined has limited application to the relevant Clause only, shall bear the same meaning as ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this Clause 1.

- 1.2.11 Where a word or phrase is specifically defined, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- 1.2.12 This Agreement shall be construed in accordance with the laws of Namibia.

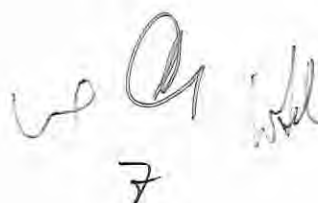
2. Commencement and Duration of the Agreement

Commencement of Agreement and Exercise of Rights

- 2.1 Notwithstanding the Signature Date, this Agreement shall be deemed to having commenced on the 1st January 2023 and shall continue until 28th October 2028 or until terminated in terms of its provisions.
- 2.2 It is recorded that the Owner has allowed the Licence Holder to commence operations on 1st January 2025.

Commencement and Exercise of Rights

- 2.3 Notwithstanding the provisions of Clauses 2.1 and 2.2, and notwithstanding anything to the contrary contained in this Agreement, the Licence Holder shall not be entitled to exercise any of its Rights in terms of this Agreement (and, for the avoidance of doubt, and as the case may be, the Licence Holder may not commence or continue to exercise any of its Rights in terms of this Agreement) –
 - 2.3.1 unless the Licence Holder has obtained and holds, and continues to hold at all times during the currency of this Agreement, a valid environmental



clearance certificate for the Authorised Mining Operations (or any other related "listed activities" as defined in the *Environmental Management Act, 2007*), lawfully issued in terms of the provisions of the *Environmental Management Act, 2007*, and the Licence Holder has provided the Owner with a notarially certified copy of such environmental clearance certificate; and

- 2.3.2 unless the Licence Holder has provided the Owner with a notarially certified copy of each of its latest and valid environmental impact assessment (report) (the "EIA") and environmental management plan (the "EMP") on the basis of which the Licence Holder's environmental clearance certificate was granted.

Automatic Termination

- 2.4 This Agreement shall automatically and *ipso facto* terminate on –

- 2.4.1 the expiry of the fixed term set out in Clause 3.2;
- 2.4.2 the expiry or cancellation of the Licence;
- 2.4.3 the expiry or cancellation of any environmental clearance certificate required to be held by the Licence Holder in terms of the provisions of the *Environmental Management Act, 2007* for the purposes of conducting the Authorised Mining Operations (or any related "listed activities" as defined in the *Environmental Management Act, 2007*).

Termination by the Licence Holder

- 2.5 The Licence Holder may terminate this Agreement prior to the expiry of the Licence by delivering 30 (thirty) days written notice to the Owner to that effect, stating its intention to discontinue its Mining Operations. For clarity, it is recorded that the Licence Holder's obligation to pay compensation to the Owner shall terminate upon

final vacation of the Farm, and reference is also made to the provisions of Clause 2.8.5.

Special Termination Rights of Owner

2.6 In the event of –

- 2.6.1 the Licence Holder (i) having transferred the Licence to a third party or (ii) having applied for the transfer of the Licence to any third party or (iii) having granted or applied for the granting of any co-holdship or other interest in the Licence for the benefit of any third party; or
- 2.6.2 there being any change of control in the Licence Holder (the term “control” having the same meaning as assigned thereto in the *Competition Act, 2003*); or
- 2.6.3 the Licence Holder disposing of the whole of or substantially the whole of its business or business assets to any third party,

without (i) the Licence Holder first and timeously having notified the Owner thereof and (ii) the Licence Holder first having requested the Owner to provide its prior written consent to such transfer, change of control or disposal contemplated in Clauses 2.6.1, 2.6.2 or 2.6.3, the Owner may terminate this Agreement with immediate effect by delivering a written notice to that effect to the Licence Holder.

2.7 The Owner may also terminate this Agreement with immediate effect by delivering written notice to the Licence Holder to that effect in the event of –

- 2.7.1 the Licence Holder permanently ceasing to conduct the Authorised Mining Operations;
- 2.7.2 the Licence Holder abandoning or having abandoned the Mining Area for a period in excess of 180 (one hundred and eighty) days;

- 2.7.3 the Owner having reason to believe that the Licence Holder is conducting mining operations (as defined in the *Minerals (Prospecting and Mining) Act, 1992* under the disguise of conducting Mining Operations on the Mining Area;
- 2.7.4 any Corrupt Practice is or having been committed by the Licence Holder or by any Operational Staff of the Licence Holder or any third person acting under the authority or with the knowledge of the Licence Holder or a director of the Licence Holder;
- 2.7.5 the Licence Holder or its Operational Staff conducting Mining Operations outside the Mining Area;
- 2.7.6 the Licence Holder or its Operational Staff conducting any activity not constituting Authorised Mining Operations on the Farm, whether within or outside the Mining Area;
- 2.7.7 the Operational Staff of the Licence Holder being involved in any illegal activities whatsoever (including, without limitation, illegal prospecting or mining operations or poaching) on the Farm;
- 2.7.8 the Licence Holder's environmental clearance certificate lapsing or being withdrawn, and the Licence Holder continuing to conduct Mining Operations on the Farm whilst not in possession of a valid environmental clearance certificate;
- 2.7.9 the Licence Holder being wound-up, liquidated, deregistered or placed under judicial management, whether provisionally or finally, or the Licence Holder having passed a resolution for its winding-up, liquidation or deregistration.

Consequences of Termination

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2.8 Upon the termination of this Agreement, whether in terms of the provisions of any Clause hereof or otherwise by Law –

2.8.1 all of the Licence Holder's Rights set out under this Agreement shall *ipso facto* terminate, and the Licence Holder shall immediately and without any argument cease the conduct of all Mining Operations and all other business actually conducted by it on the Farm;

2.8.2 the Licence Holder shall within 30 (thirty) Days following such termination (or such further time period as the Owner may be willing to grant to the Licence Holder), vacate the Mining Area (and thereby the Farm), together with all its Equipment and Operational Staff;

2.8.3 the Licence Holder shall, within 180 (one hundred and eighty) Days following such termination promptly conduct and complete all environmental rehabilitation and shall permanently remove all Accessory Works (if any) from the Mining Area, as required by Law;

2.8.4 the Licence Holder shall remove from the Mining Area and dispose of all –

2.8.4.1 dimension stone blocks and waste blocks (save to the extent that such dimension stone blocks and waste blocks can be used as filling material for backfills in accordance with the Licence Holder's environmental management plan); and

2.8.4.2 rubble, rubbish and waste,

in accordance with Law and any requirements under the Licence Holder's environmental management plan and, in any event, in consultation with the Owner, it being expressly agreed that no rubble, rubbish or waste shall be buried in the Mining Area (or the Farm) unless this is authorised in terms of the approved environmental rehabilitation plan of the Licence

Holder and also approved by the Owner; and

2.8.5 the Licence Holder shall continue to pay Compensation until the Licence Holder has –

3.8.5.1 to the reasonable satisfaction of the Owner complied with all its remaining obligations under the *Minerals (Prospecting and Mining) Act, 1992* in relation to the ceasing of such Mining Operations (including, but not limited to the Licence Holder's obligations to conduct environmental rehabilitation and cause the removal of all Accessory Works); and

3.8.5.2 vacated the Mining Area and the Farm together with all its Operational Staff, contractors and Equipment; and

2.8.6 the Licence Holder's obligations to diligently conduct environmental rehabilitation (whether in terms of this Agreement or in terms of the provisions of any environmental Laws) shall continue until fully performed and completed by the Licence Holder;

2.8.7 the Licence Holder's obligations to diligently conduct environmental rehabilitation (whether in terms of this Agreement or in terms of the provisions of any environmental laws applicable in the Republic of Namibia) shall continue until fully performed by the Licence Holder

and, for clarity, all of the Licence Holder's obligations set out in this Clause 3.8 shall survive the termination of this Agreement.

3. The Licence Holder's Rights

3.1 Subject to the further terms and conditions of this Agreement, the Owner hereby

authorises the Licence Holder, for the duration of this Agreement, to exercise its rights to conduct the Authorised Mining Operations within the Mining Area. In this regard, the Owner hereby specifically authorises the Licence Holder to:

- 3.1.1 together with its Operational Staff enter into and access the Mining Area for the purposes of conducting thereon the Authorised Mining Operations as set out in **Schedule 2 – Authorised Mining Operations**;
- 3.1.2 subject to relevant further approvals from the Owner (as required by this Agreement and which the Owner does not intend to unreasonably withhold) and the issue of an Accessory Works permit, establish relevant and temporary Accessory Works (if any) in the Mining Area; and

- 3.1.3 bring and use its Equipment into the Mining Area,

provided and subject to the condition that on each and every Day that the Licence Holder or any of its Operational Staff accesses and enters the Farm, they shall be required so sign in and complete a register and log book at the entry gate recording *inter alia* the persons entering and present on the Farm on such Day, such register and log book to be kept in a form as required by the Owner, and the same condition shall apply when the Licence Holder or its Operational Staff leave the Farm on each and every Day.

- 3.2 For the avoidance of doubt, it is recorded that the Rights of the Licence Holder under Clause 4.1 apply and extend only to the Mining Area and the Authorised Mining Operations only, and not also to the remainder of the Farm which may from time to time be covered by the Licence.

4. The Licence Holder's Obligations

Environmental Clearances and Compliance

- 4.1 The rights of the Licence Holder in terms of Clause 4.1 shall at all times be subject to and dependent upon the Licence Holder holding a valid and current environmental clearance certificate for the conduct of the Authorised Mining Operations (and all ancillary activities constituting a "listed activity") in terms of the provisions of the *Environmental Management Act, 2007*, and the Licence Holder having provided the Owner with a copy of such environmental clearance certificate and the current and valid environmental impact assessment report and environmental management plan on the basis of which such environmental clearance certificate was granted and issued. For the purposes of this Clause 5.1, it is recorded and the Licence Holder acknowledges that the Owner's entry into this Agreement does not constitute any acknowledgement or waiver on the part of the Owner, and shall be without prejudice to the Owner's rights or estoppel raised against the Owner to contest the validity of or the process by which the Licence Holder may have obtained any environmental clearance in respect of the Licence and the Authorised Mining Operations, and in respect of which it is recorded the Owner has not been consulted as required by the Regulations under the *Environmental Management Act, 2007*.

Conduct of Operations - Generally

- 4.2 In exercising its rights in terms of Clause 4.1. the Licence Holder agrees that it and its Operational Staff shall act –
- 4.2.1 reasonably and with due regard to the Owner's interests;
 - 4.2.2 strictly in accordance with all requirements under the *Minerals (Prospecting and Mining) Act, 1992* and best and latest good mining, prospecting and environmental practices and standards; and
 - 4.2.3 with special care and that it shall undertake all reasonable steps to secure the safety of animals and the environment in general.

Operational Staff

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4.3 The Licence Holder and its Operational Staff are subject to the following duties and obligations:

4.3.1 Mining Operations shall only take place during the following Days and working hours: Mondays to Saturdays from 05:00 A.M. to 19:00 P.M..

4.3.2 The Licence Holder shall not without the Owner's prior written consent have more than 30 (thirty) Operational Staff attending to the Mining Operations within the Mining Area.

4.3.3 The Licence Holder shall be obliged to provide the Owner with a list of Operational Staff involved in any Mining Operations (the "List"), stating the full names, details and relevant identity and employment details (including identity numbers and social security numbers and copies of the identity documents) that the Owner may reasonably require. The Licence Holder shall update the List and notify the Owner accordingly, as soon as there is any change in the Licence Holder's Operational Staff. In addition, the Licence Holder shall within 48 (forty eight) hours following a request by the Owner inform the Owner of any changes in its Operational Staff. When attending to the Mining Operations, the Operational Staff shall be required to wear conspicuous uniform clothing (such as bright t-shirts) and name-tags, with the view of enabling the Owner to identify such Operational Staff clearly as being that of the Licence Holder.

4.3.4 The Licence Holder shall forthwith, on demand of the Owner, remove from the Mining Area and from the Farm any Operational Staff who -

4.3.4.1 are involved or are reasonably suspected to be involved in unlawful or illegal activities on the Farm, or

4.3.4.2 fail to adhere to any of the terms and conditions of this Agreement applicable to them;

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4.3.5 No Operational Staff shall, without the Owner's prior written consent, enter into or be on any part of the Farm which is not -

4.3.5.1 the Mining Area; or

4.3.5.2 any area that may, in terms of this Agreement or any written authorisation given by the Owner, be traversed by the Operational Staff for the purposes of accessing the Mining Area.

Access to Mining Area

4.3.6 The Licence Holder and Operational Staff (including the operational staff of the Licence Holder's sub-contractors) shall be granted access to and egress to the Mining Area through such access roads as will specifically be agreed and in writing be confirmed with the Owner from time to time.

4.3.7 At the commencement of this Agreement, the Mining Area shall be accessed only through a direct route leading from the district road C 32 to and through the access gate indicated in **Schedule 3 – Depiction of Mining Area**.

Accessory Works

4.3.8 The Licence Holder shall require the Owner's prior written consent before constructing or erecting any Accessory Works within the Mining Area. The Owner shall not unreasonably withhold its consent to such Accessory Works, but it is agreed that the following principles shall apply:

4.3.8.1 The Owner shall not be required to give any approval for Accessory Works until relevant plans or details of

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construction of such Accessory Works have been provided by the Licence Holder to the Owner for the Owner's consideration.

- 4.3.8.2 The Licence Holder shall also be required to provide the Owner with the relevant Accessory Works permit and plan duly approved by the Mining Commissioner.
- 4.3.8.3 No Accessory Work shall cause any interference or hindrance to the Owner's business, conservation or tourism operations on the Farm.

Roads and Tracks

- 4.3.8.4 Any new roads or tracks proposed to be established by the Licence Holder shall in any event only be established
 - 4.3.8.4.1 along a route approved by the Owner; and
 - 4.3.8.4.2 causing the least environmental impact, and shall be constructed according to such specifications as may be agreed between the Owner and the Licence Holder.
- 4.3.8.5 Where a new road crosses any existing fences on the Farm, and unless arranged otherwise with the Owner, the Licence Holder shall, at its own expense, install a gate in such fence and shall keep the gate locked at all times, but shall make a key available to the Owner.

Excavations

- 4.3.9 Any excavation holes or trenches dug by the Licence Holder shall only be

established within the Mining Area and be fenced -

4.3.9.1 in accordance with the provisions of the *Minerals (Prospecting and Mining) Act, 1992*; and

4.3.9.2 in any event in a manner that will prevent livestock or game from falling therein.

4.3.10 Upon cessation of Mining Operations, excavation holes or trenches shall, within 30 (thirty) Days of such cessation of Mining Operations, be filled in a manner that will restore the surface to a state comparable to the state in which they were prior to mining.

Animals

4.3.11 No dogs or other animals may be brought onto the Farm by the Licence Holder or its Operational Staff.

Fires

4.3.12 The Licence Holder shall be responsible to ensure that its Operational Staff shall not light any open fires within the Mining Area and on the Farm. Any designated and protected fire-places that the Owner may from time to time allow for use by the Licence Holder or its Operational Staff shall be subject to such rules, terms and conditions as the Owner may from time to time determine.

Fire-Arms

4.3.13 The Licence Holder shall ensure that no firearms of whatever nature shall be brought onto the Farm.

Poaching and Hunting



- 4.3.14 The Licence Holder shall be responsible to ensure that no Operational Staff shall conduct any hunting or poaching on the Farm.

Wood Gathering

- 4.3.15 The Licence Holder shall ensure that no wood may be gathered by its Operational Staff on the Farm or within the Mining Area.

No Residential Camp

- 4.3.16 The Licence Holder shall not set up any residential camp on the Farm and no Operational Staff shall enter the Farm before 05:00 on any Day, and all Operational Staff shall vacate the Farm at the latest at 19:00 on each Day. The Licence Holder's 2 (two) security guards which are entitled to be on the Licence Area on a 24 (twenty four) hour basis may occupy relevant security booths and shelters.

Water

- 4.3.17 The Licence Holder acknowledges that water is a scarce resource in Namibia. Accordingly, Licence Holder acknowledges and agrees that, irrespective of any water abstraction permits that may be granted to the Licence Holder –

4.3.17.1 the Licence Holder shall not be entitled to abstract any water from the Farm; and

4.3.17.2 any water from any source on the Farm required by the Licence Holder will exclusively be supplied by the Owner to the Licence Holder in terms of a separate agreement and in terms any further terms and conditions of supply

which may be agreed upon between the Owner and the Licence Holder, and then in any event subject to

4.3.17.2.1 the actual availability of sufficient and sustainable water resources on the Farm;

4.3.17.2.2 relevant environmental clearances for water abstraction; and

4.3.17.2.3 the issue of relevant water abstraction permits to Osino,

Miscellaneous

4.3.18 The Licence Holder shall -

4.3.18.1 comply and cause that its Operational Staff strictly complies with the *Regulations Relating to the Health and Safety of Employees at Work, 1997* made under the *Labour Act, 1992* and surviving under the *Labour Act, 2007*;

4.3.18.2 from time to time, and at the reasonable written request of the Owner, provide the Owner with updated verification information as to the Licence Holder and the Licence Holder's Members, and the Guarantor, as contemplated in the *Financial Intelligence Act, 2012*;

4.3.18.3 not remove any valuable or protected trees or shrubs other than with a permit under the *Forests Act, 2005* and the Owner's prior written consent;

4.3.18.4 take all reasonable caution and steps not to unnecessarily disturb wildlife, game or livestock;

- 4.3.18.5 not keep or allow the use by Operational Staff of alcoholic beverages on the Farm, and shall regularly and from time to time at the request of the Owner conduct breathalyzer tests on its Operational Staff to detect any alcoholic intoxication;
- 4.3.18.6 erect suitable mobile toilets for its Operational Staff, to the satisfaction of the Owner.

5.3.19 The Licence Holder shall strictly comply with all environmental obligations to the Ministry of Mines and Energy and the Ministry of Environment and Tourism. Moreover, the Licence Holder shall when required by the Owner consult the Owner in relation to the manner in which environmental rehabilitation of the Mining Area (or any other environmental damage caused by or in connection with the Mining Operations on the Farm) shall be remedied or be addressed. More specifically -

- 5.3.19.1 the Licence Holder shall cap all drill holes below ground level and cover them with soil to the original level, other than drill holes in which water is found, which shall be capped and filled only with the Owner's consent;
- 5.3.19.2 the Licence Holder shall not allow any refuse or scrap to accumulate or be buried on the Farm, and shall remove all accumulated refuse and scrap from the Farm at least once every month.

Farm Rules

4.4 In exercising its Rights, the Licence Holder –

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- 4.4.1 acknowledges that the Owner and third parties conduct business on the Farm, and the Licence Holder agrees to respect the rights of the Owner and such third parties, and to at all times act reasonably and with due regard to the Owner's and such third parties' lawful interests;
- 4.4.2 agrees not to interfere, nor to obstruct or hinder the business or affairs lawfully conducted by the Owner or any third party on the Farm, and, specifically acknowledges and agrees that the Owner, acting in its final discretion, but without negating the essence of the Licence Holder's rights in terms of Clause 3.1, will be entitled to from time to time promulgate rules and regulations (the "Farm Rules") regulating any and all activities (including, but not limited to the lay-out and routing of roads and tracks, gates, access and control points, rules of the road and for the traffic of vehicles) on the Farm outside the Mining Area, and the Licence Holder acknowledges and agrees that it shall be the duty of the Licence Holder and its Operational Staff to familiarise itself and themselves with such Farm Rules, and agrees to comply with the Farm Rules and to cause its Operational Staff to comply with such Farm Rules.
- 4.5 The Licence Holder shall inform the Owner of any water found in its drillholes in the course of its Operations.
- 4.6 The Licence Holder shall ensure that a serviceable mobile motor powered fire fighting machine with a filled water tank of at least 500 (five hundred) litres is kept within 100 (one hundred) meters of ongoing Mining Operations.
- 4.7 If the Licence Holder has caused any field fire on the Farm, the Licence Holder's liability for such field fire shall be an agreed amount of N\$ 5.000,00 (five thousand Namibia Dollar) per hectare of the Farm affected by such field fire.

Special Provisions as to Environmental Rehabilitation



- 4.8 The Licence holder shall, during the currency of its Mining Operations, be required to hold public liability insurance to the value of N\$ 10.000.000 (ten million Namibian Dollar), insuring the common risks available under and associated with such insurance. On request of the Owner, the Licence Holder shall be obliged to provide the Owner with documentary proof of such insurance (including, specifically, the schedules and policy wordings).

5. **Compensation (Section 52 (1) Minerals Act, 1992) and Environmental Rehabilitation**

- 5.1 The Licence Holder undertakes to pay the Owner such Compensation as set out and in accordance with the provisions of **Schedule 4 – Compensation**.
- 5.2 The Owner agrees to accept the Compensation, and acknowledges that such Compensation shall constitute the full and final compensation payable by the Licence Holder to the Owner for the purposes of complying with the provisions of section 52 (1) (a) (i) the *Minerals (Prospecting and Mining) Act, 1992*.

Environmental Rehabilitation Contributions

- 5.3 The Licence Holder shall, during each and every month of the Validity Period, make and pay over the required Environmental Rehabilitation Contributions to the Environmental Trust Fund, as set out in and subject to the further provisions of **Schedule 5 – Environmental Rehabilitation Contributions**.

6. **Liability (Section 52 (2) Minerals Act, 1992) and Damages**

- 6.1 The provisions of Clause 4 shall not limit any liability of the Licence Holder to pay compensation within the meaning of and in accordance with the provisions of section 52 (2) *Minerals (Prospecting and Mining) Act, 1992*.
- 6.2 Notwithstanding anything contained in this Agreement, and in addition to the Compensation agreed to herein, the Licence Holder agrees to compensate the

Owner in respect of any costs, losses or damages incurred or suffered by the Owner (including, for the avoidance of doubt, any diminution of the surface value of the Farm, total or partial interruption of the right of occupation or damage or loss of business which the Owner can prove) on account of any negligent act or omission of the Licence Holder, contractors or Operational Staff. In respect of this Clause 7.2 and Clause 7.3, the Licence Holder shall obtain and maintain appropriate insurance cover, including fire, to the satisfaction of the Owner for an amount not less than N\$ 5,000,000.00 (five million Namibia Dollar) and hereby cedes the policy benefit (i.e. the benefit to receive any indemnification from the insurance) to the Owner. On request of the Owner, the Licence Holder shall be obliged to provide the Owner with the documentary proof of such insurance (including, specifically, the schedules and policy wordings).

- 6.3 The Licence Holder acknowledges that to the extent that its Operational Staff, its contractors or sub-contractors may physically be attending to and be conducting Mining Operations on the Farm or within the Mining Area, such Operational Staff, contractors or sub-contractors are in all respects the Licence Holder's agents (and whether acting within or outside the scope of their authority), and the Licence Holder shall be responsible to ensure that its Operational Staff, contractors and sub-contractors know and understand the terms and conditions of this Agreement and that they comply therewith to the extent that such terms and conditions apply to them. The Licence Holder hereby accepts responsibility for any and all acts and omissions of its Operational Staff and contractors and irrespective of whether such acts or omissions are committed within a contractual or delictual context. The Licence Holder hereby agrees to indemnify, and hereby indemnifies and holds the Owner harmless against any and all costs, losses or damages incurred or suffered by the Owner on account of the acts and omissions of the Licence Holder's Operational Staff, contractors and sub-contractors, to the fullest extent allowed by law.

7. Responsibility for Operational Staff and Indemnity

- 7.1 Notwithstanding anything to the contrary contained in this Agreement, and in



addition to the Compensation agreed to herein, the Licence Holder further and as an independent obligation agrees to indemnify and hold the Owner and its employees, officers and agents harmless in respect of and against any costs, losses or damages incurred or suffered by the Owner, its employees, officers or agents, including, without limitation, in respect of –

- 7.1.1 any diminution of the surface value of the Farm, including loss of vegetation, game or other animals;
- 7.1.2 any interruption of the Owner's business on the Farm,
- 7.1.3 a failure by the Licence Holder and its Operational Staff to comply with all applicable Laws and the Owner's Health and Safety Regulations; and
- 7.1.4 all bodily injuries, including sickness, disease or death, to or of –
 - 7.1.4.1 the Licence Holder's Operational Staff; and
 - 7.1.4.2 the Owner's employees, officers or agents, save where caused by the Owner or such employees, officers or agents;
- 7.1.5 all costs, losses or damage of or to any physical property, real or personal, of –
 - 7.1.5.1 the Licence Holder's Operational Staff;
 - 7.1.5.2 the Owner or the Owner's employees, officers or agents, save where caused by the Owner or such employees, officers or agents.

on account of any act or omission of the Licence Holder or the

Licence Holder's Operational Staff which has occurred on the Farm.

7.2 The Licence Holder acknowledges that to the extent that its Operational Staff (including its contractors and sub-contractors) are on the Farm and within the Licence Area attending to Mining Operations, they are in all respects the Licence Holder's agents (whether acting within or outside the scope of their authority), and the Licence Holder shall be responsible to ensure that its Operational Staff and contractors know and understand the terms and conditions of this Agreement and that they comply therewith where applicable to them. The Licence Holder hereby assumes responsibility for any and all acts and omissions of its Operational Staff (including, for the avoidance of doubt, its contractors and sub-contractors) and irrespective of whether such acts or omissions are committed within a contractual or delictual context. The Licence Holder hereby agrees to indemnify and hold the Owner harmless against any and all costs, losses or damages incurred or suffered by the Owner on account of all acts and omissions of the Licence Holder's Operational Staff and contractors.

7.3 The Licence Holder hereby indemnifies and agrees to indemnify and hold the Owner harmless from and against all costs, losses or damages (including legal fees and expenses), and from any and all suits, actions or administrative proceedings, claims or demands in respect of any Corrupt Practices committed by the Licence Holder or any of the Licence Holder's Operational Staff, including third person claims for which the Licence Holder is liable in respect of any Corrupt Practices.

8. Status of Guarantor and Guarantee

Joint and Several Liability

8.1 It is recorded that, in terms of relevant agreements and arrangements between the Guarantor and SG Mining Close Corporation, the Guarantor will assume full operatorship of the Licence and will conduct all day-to-day operations for and on behalf of SG Mining Close Corporation. Accordingly, SG Mining Close Corporation

and the Guarantor agree that they will for all intents and purposes of this Agreement be jointly and severally liable to the Owner for the performance of any and all of the obligations owed to the Owner in terms of this Agreement.

Guarantee

- 8.2 Without derogating from the provisions of the joint and several liability set out in Clause 8.1, and for clarity and as an additional undertaking, the Guarantor hereby irrevocably and unconditionally guarantees to the Owner that, whenever SG Mining Close Corporation does not perform or punctually perform any of its obligations to the Owner in terms of this Agreement, or does not pay or punctually pay any amount due to the Owner in terms of this Agreement, the Guarantor will promptly on demand by the Owner perform such obligation and pay such amount.
- 8.3 As a separate continuing and primary obligation the Guarantor undertakes to fully indemnify the Owner on demand against all losses, damages, costs and expenses of whatsoever nature (including, without limitation, legal fees) which may be suffered or incurred by the Owner by reason of any of SG Mining Close Corporation's obligations guaranteed by the Guarantor becoming unenforceable, invalid or illegal for any reason whatsoever.

9. General

Governing Law

- 9.1 This Agreement is governed by, and shall be construed in accordance with the laws for the time being in force in Namibia.

Severability and Unenforceability

- 9.2 If any provisions of this Agreement are found or held to be invalid or unenforceable, the validity of all the remaining provisions of this Agreement will not be affected



thereby, but the Parties agree to meet and review the matter, and if any valid and enforceable means is reasonably available to achieve the same object of the invalid provision, to adopt such means by way of variation of this Agreement

No variation

- 9.3 No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the Parties.

Entire Agreement

- 9.4 This Agreement constitutes the full and complete consensus between the Parties in relation to its subject matter and supersedes all prior negotiations, understandings and agreements with respect thereto.

No Waiver

- 9.5 No leniency or indulgence granted by any Party to any other Party shall operate or be construed to constitute a waiver of such Party's rights in terms of this Agreement, and each party shall be entitled to require the other Parties to strictly comply with all the terms and conditions of this Agreement.

No Cession or Delegation

- 9.6 Save where expressly allowed in terms of this Agreement, no Party shall cede, delegate or transfer or purport to cede, delegate or transfer any of its rights or obligations under this Agreement, save with the prior written consent of the other Parties.

Remedies Cumulative

- 9.7 Except as expressly provided otherwise in this Agreement, the rights and remedies contained in this Agreement are cumulative and not exclusive of any rights or

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remedies provided by law.

Third Parties

- 9.8 A person who is not a party to this Agreement shall have no rights to enforce any provision of this Agreement, but this shall not affect any right which exists or is available apart from this Agreement.

Breach

- 9.9 If any of the Parties (hereinafter referred to as the “Defaulting Party”) should commit a breach of this Agreement, the affected Party (the “Affected Party”) may give the Defaulting Party written notice to remedy such breach. In the event of the Defaulting Party failing to remedy its breach within 10 (ten) Days following such written notice, the Affected Party may, at its option, cancel this Agreement, such cancellation to be without any prejudice to the rights of the Affected Party to claim damages as allowed by law.

Correspondence and Notices

- 9.10 All communications and notices shall be in writing and shall be delivered or addressed to:

The Licence Holder and the Guarantor	
To:	Zhong Resources Namibia (Proprietary) Limited
Delivery Address:	Farm No. 46 Okawayo District of Karibib
Email:	zhongmeiresources@gmail.com

The Owner	
To:	Osino Farming Investments (Proprietary) Limited

To:	Osino Farming Investments (Proprietary) Limited
Delivery Address:	c/o CR van Wyk (CRVW) 29 Feld Street Windhoek
Email:	E-mail at: wschuckmann@osinoresources.com

- 9.11 The Parties choose the physical addresses referred to in Clause 9.10 as their domicilii citandi et executandi for all purposes under this Agreement whether in respect of payment of money, the service or delivery of court or arbitration process, notices or other documents or all other communications.
- 9.12 Any notice or communication required or permitted to be given in terms of this Agreement will be valid and effective only if it is in writing, but, where, in terms of this Agreement, any communication is required to be in writing, the term "writing" will include communications by e-mail and it shall be prima facie regarded as authentic and signed if the name of the sender appears at the bottom thereof.
- 9.13 Any Party may by written notice to the other Party change its e-mail address or the address chosen as its domicilium address, to another e-mail address or physical address which is not constituted exclusively by a post office box address, and such change will become effective on the 5th (fifth) Business Day from the deemed receipt of the notice by the addressee.
- 9.14 Any notice to a Party delivered by hand to a responsible person during ordinary business hours at its domicilium citandi et executandi will be deemed to have been received on the Day of delivery (unless the contrary is proved).
- 9.15 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party will be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its

chosen domicilium citandi et executandi.

Obligations of good faith

- 9.16 The Parties are to act in good faith towards each other including but not limited to being just and faithful in all activities in dealings with each other in relation to this Agreement.
- 9.17 The Parties undertake to co-operate and consult with each other in good faith with regard to the alleviation of any hardship which may be occasioned to any of the Parties as a result of any unforeseen circumstances arising after the Signature Date, and to support each other in the performance of all such actions and to take all such steps as may be reasonably available to them and necessary for the maintenance and the execution and the implementation of this Agreement.

Administrative Arrangements

- 9.18 The Parties agree on the following administrative arrangements:
- 9.18.1 In order to facilitate the smooth and uninterrupted implementation of this Agreement the Licence Holder shall, within 10 (ten) Days following the Signature Date, and by written notice to the Owner, designate a person to be referred to as the **"Licence Holder Representative"**.
- 9.18.2 The Licence Holder Representative must be able to communicate in English, the official language of Namibia both verbally and in writing.
- 9.18.4 At the Signature Date, the Owner's representative shall be Werner Schuckmann (the **"Owner Representative"**).
- 9.18.4 The Licence Holder's Representative and the Owner's Representative (jointly the **"Representatives"**) shall serve as principal implementing agents and first points-of-call for any contacts between the Parties in

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respect of this Agreement.

- 9.19 The Representatives shall consult and pursue their engagements in an informal and business-like manner, it being the intention of the Parties to facilitate such liaison between them in order to prevent and timeously deal with any differences, conflicts, disputes or matters arising.

Dispute Resolution

- 9.20 Should any dispute arise out of or in connection with this Agreement, its interpretation, rectification, validity, enforceability, termination, cancellation, alleged cancellation, any Party shall be entitled to require, by written notice to the other Parties to the dispute, that the dispute be submitted to arbitration in terms of this Clause.

- 9.20.1 The arbitration shall be held in terms of the applicable Namibian arbitration laws and this Clause 9.20 shall constitute an "arbitration agreement" as defined in the *Arbitration Act, 1965*. Accordingly, the provisions of this Clause -

- 9.20.1.1 constitute an irrevocable consent by each of the parties to any proceedings in terms of this Clause and no party shall be entitled to withdraw therefrom or claim at any stage during proceedings that it is not bound by such proceedings;

- 9.20.1.2 are severable from the rest of this Agreement and shall remain in effect notwithstanding the termination or cancellation of this Agreement, or the alleged cancellation of or invalidity of this Agreement (or any part thereof), or the alleged invalidity of this Agreement (or any part thereof) for any reason;

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- 9.20.1.3 shall not preclude any party from instituting any urgent application in any court of competent jurisdiction or for any urgent interim interdict or relief.
- 9.20.2 The arbitration shall be held in a summary manner, in accordance with the agreed form Arbitration Rules, set out in **Schedule 6 – Agreed Form Arbitration Rules** or such other rules, formalities or procedures determined by the arbitrator.
- 9.20.3 The arbitraiton shall be held at a venue in Windhoek.
- 9.20.4 The arbitration shall be held in camera and all participants shall exercise utmost confidentiality with regard to the proceedings.
- 9.20.5 The arbitration shall be held immediately with a view of being completed within 90 (ninety) Business Days after it is demanded.
- 9.20.6 The arbitrator shall be an independent person, and shall be, if the question is:-
- 9.20.6.1 primarily an accounting matter, an independent practicing chartered accountant in Namibia with not less than 10 (ten) years practical experience in private practice;
- 9.20.6.2 primarily a legal matter, a legal practitioner in Namibia with not less than 15 (fifteen) years practical experience in private practice;
- 9.20.6.3 any other matter, an appropriately qualified independent person agreed upon by the Parties.
- 9.20.7 If within 7 (seven) Business Days after arbitration has been demanded



unanimous agreement can not be reached between the Parties on the identity of the arbitrator, then the arbitrator shall be a legal practitioner with not less than 15 (fifteen) years practical experience in private practice agreed upon between the Parties or, failing agreement, appointed by the President for the time being of the Law Society of Namibia.

9.20.8 The arbitrator shall be entitled to –

9.20.8.1 investigate or cause to be investigated any matter, fact or thing which she considers necessary or desirable in connection with the dispute and for that purpose shall have the widest powers of investigating all the books and records of any party to the dispute, and the right to take copies or make extracts from and the right to have them produced or delivered at any reasonable place required by them for the aforesaid purpose;

9.20.8.2 to interview in question under oath representatives of any of the parties;

9.20.8.3 to make such award, including an award for specific performance, and award of costs of the proceedings before him, and interdict, damages or a penalty or otherwise and see in his discretion may think appropriate;

9.20.8.4 to appoint such advisers as he may deem fit to assist him as he may require.

9.20.9 The arbitrator shall decide the dispute according to the laws of Namibia.

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9.20.10 Any award made by the arbitrator shall be final and binding in the absence of any manifest error in calculation and shall be carried into effect.

9.20.11 The arbitrator's award may be made an order of any court of competent jurisdiction.

Governing Law

9.21 This Agreement shall be governed by and shall be construed in accordance with the laws for the time being in force in Namibia.

Jurisdiction

9.22 The Parties consent to the jurisdiction of the High Court of Namibia to determine any dispute or matter not subject to the arbitration provisions of Clause 9.20.

Costs

9.23 The Licence Holder shall be responsible for the costs of this Agreement.

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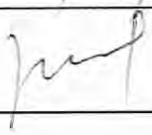
C. SIGNATURE PAGES**OSINO FARMING INVESTMENTS (PROPRIETARY) LIMITED**

Signature: 

Name: WERNER SCHUCKMAN

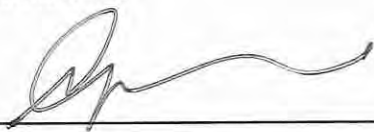
Date: WINDHOEK

Place: 30/04/2025

Witness: 

Witness: _____

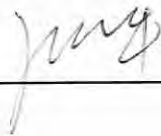
SG MINING CLOSE CORPORATION

Signature: 

Name: S. GOAGOSEB

Date: 30/4/2025

Place: WINDHOEK

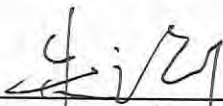
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ZHONG RESOURCES NAMIBIA (PROPRIETARY) LIMITED

Signature:



who warrants that he / she is duly
authorised thereto

Name:

Zhu Jiahua

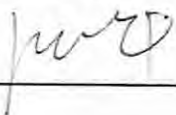
Date:

30 April 2025

Place:

Windhoek

Witness:



Witness:

Witness:



Schedule 1
Copy of Licence

See Annexure 1

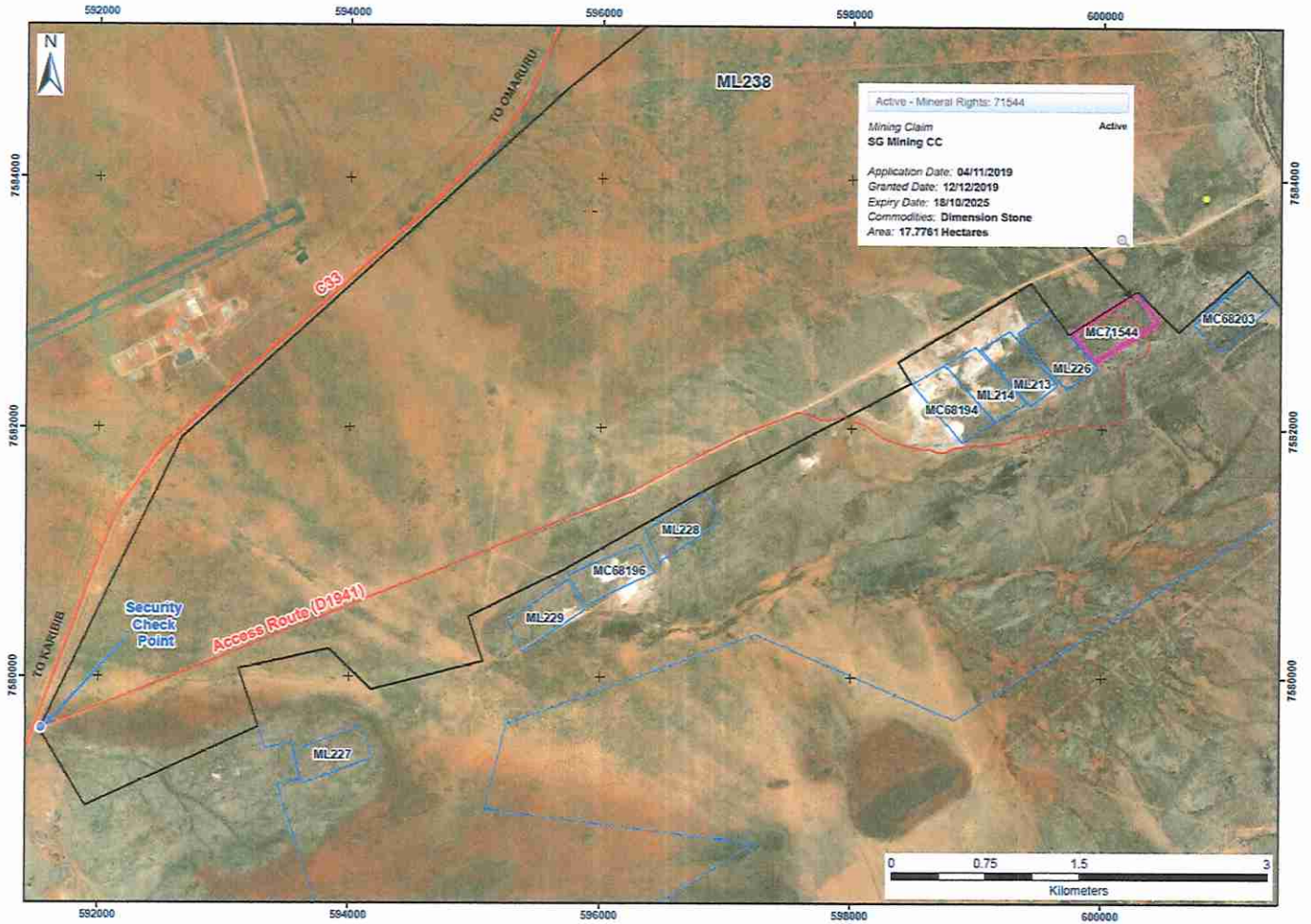
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Schedule 2
Authorised Mining Operations

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Schedule 3
Depiction of Mining Area



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Schedule 4

Compensation

The Licence Holder shall pay the following compensation to the Owner:

Compensation Principles

1. Compensation (as defined) is paid on an 'all inclusive' basis, i.e. in respect of all of the Licence Holder's impact on the Licence Area.
2. Compensation will be charged in Namibia Dollar.
3. Compensation will be adjusted on an annual basis for inflation in accordance with 8. below.
4. Compensation is stated without value added tax. Should Osino be required to levy value added tax on the Compensation, such value added tax will be paid by the Licence Holder in addition to and as invoiced by Osino on the agreed Compensation.

Agreed Compensation

5. As from the Commencement Date, but subject to the provisions of 7 below, the Licence Holder shall pay to Osino an amount of Compensation equal to **NAD 40.000 (forty thousand Namibia Dollar)** per month in arrears on or before the last Day of each and every Month. Osino shall issue a tax invoice in the name of Zhong Mei Resources Namibia (Pty) Ltd, on or before the 25th day of each month, before any payment is made in accordance with this provision.
6. If value added tax is chargeable on the aforesaid compensation in terms of the *Value Added Tax Act, 2000*, value added tax shall be added onto and be paid the Licence Holder in addition to the aforesaid compensation.

Arrear Compensation

7. It is recorded that the Owner has allowed the Licence Holder to commence mining operations on the 1st



January 2025. Accordingly, the Licence Holder agrees to pay, within 10 (ten) Days from the Signature Date, an arrear amount of Compensation equal to NAD 160.000 (one hundred and sixty thousand Namibia Dollar) to the Owner for the purposes of covering the period from January to April 2025. As of 1st May 2025, the Compensation amount referred to in 5 above shall become applicable.

Adjustment of Compensation for Inflation

8. The Compensation shall, on each and every anniversary of the Commencement Date, be adjusted by the average inflation rate ("CPI") in Namibia for the previous year. To this end, and at least 45 (forty five) days after each and every anniversary of the Commencement Date the Owner and the Licence Holder shall meet to determine and agree on the applicable inflation rate with reference to relevant information available to them. If the Owner and the Licence Holder are unable to agree on the applicable inflation rate, the Parties shall request an independent third party (accountant or auditor) to determine such inflation rate for them, and such determination shall be final and binding on the Parties.
9. Pending the finalisation of the adjustment of the Compensation, the Licence Holder shall continue to pay the current Compensation, and upon finalisation of the adjustment of the Compensation, the Licence Holder shall pay to the Owner any shortfall for the months following the Commencement Date during which the Compensation had not yet been adjusted.



Schedule 5
Environmental Management Contributions

The Licence Holder shall make the following monthly Environmental Rehabilitation Contributions:

1. The Licence Holder shall pay a monthly contribution of NAD 50.000 (fifty thousand Namibia Dollar) as Environmental Rehabilitation Contributions up to a maximum of NAD 5.000. 000 (five million Namibia Dollar).
2. In order to cover the period from 1st January to the end of April 2025, the Licence Holder shall, within 10 (ten) Days from the Signature Date, pay the amount of NAD 200.000 (two hundred thousand Namibia Dollar) into the separate account referred to in 3 below.
3. The Environmental Rehabilitation Contributions shall be paid into a separate account in the Guarantor's name, with one representative of the Guarantor and one representative of the Owner being the authorised signatories on such account. All funds standing to the credit of such account shall be applied to environmental rehabilitation as provided for in this Agreement, and any payments from such account require the signature or approval (as the case may be) of both representatives of the Owner and the Guarantor.



Schedule 6
Agreed Form Arbitration Rules

Definitions

1. In these Rules
 - 1.1. **"Arbitrator"** means the person appointed as arbitrator pursuant to the provisions of the Agreement of which these Rules form part;
 - 1.2. **"Claimant"** means the person referring a dispute for decision to the Arbitrator and includes his or her legal practitioners.
 - 1.3. **"Respondent"** means the party against whom the Claimant proceeds, and includes his or her legal practitioners.
 - 1.4. **"Papers"** means the documents on the basis of which the arbitration under these Rules is conducted, and includes any or all of the following: Statement of Claim, Statement of Defence and Reply, and includes all documentary evidence and witness' statements.
 - 1.5. **"Parties"** means persons who have submitted to arbitration in terms of these Rules, and includes both the Claimant and the Respondent, and **"Party"** means either the Claimant or the Respondent.
 - 1.6. **"Rules"** means this document.

Commencement and Referral of Disputes to Arbitration

2. Arbitration proceedings are commenced and referred to the Arbitrator when the Claimant delivers a written notice of the dispute to the Respondent. The written notice shall bear the heading *"Statement of Claim"*.

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3. The Statement of Claim shall be delivered to the Respondent or its legal practitioners by personal delivery, telefax or e-mail, but the Claimant shall take all reasonable steps to ensure and provide sufficient proof to the Arbitrator that the Respondent has received proper notice of the Statement of Claim. A copy of the Statement of Claim shall likewise be delivered to the Arbitrator.

Requirements for Statement of Claim

4. A Statement of Claim shall have the following contents, under the following clearly separated headings:-
 - 4.1. Details of the Claimant;
 - 4.2. Details of the Respondent;
 - 4.3. A concise description of the facts material and relevant to the dispute or claim, which shall be broken down into respective paragraphs;
 - 4.4. The conclusions in fact and law, as claimed by the Claimant;
 - 4.5. The relief claimed by the Claimant from the Arbitrator.
 - 4.6. All documentary evidence which may prove the Claimant's claim, cross-referenced to the Statement of Claim.
 - 4.7. Witnesses statements where evidence relies on or is dependent on a witness, such statements to be signed and to be confirmed to be true, correct and complete by such witness.

Statement of Defence

5. If the Respondent wishes to oppose the Claimant's claim (or counterclaim), the Respondent must deliver a written answer thereto, which shall bear the heading

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"Statement of Defence" or, if the Respondent makes a counterclaim *"Statement of Defence and Counterclaim"*. The Respondent shall provide the Statement of Defence (or Statement of Defence and Counterclaim) within 10 (ten) Business Days of receiving the Statement of Claim to the Claimant or its legal practitioner. The provisions of paragraph 3 relating to delivery of the Statement of Claim shall likewise apply to the delivery of the Statement of Defence (or Statement of Defence and Counterclaim).

6. The Statement of Defence (or Statement of Defence and Counterclaim) shall contain the following contents, under the following clearly separated headings:-

- 6.1. A concise answer to the contents to the Claimant's claim, taking the form of a concise description of the facts material and relevant to the dispute, which shall as far as possible follow the paragraphs of the Statement of Claim. The Respondent shall as clearly as possible indicate which of the facts stated by the Claimant he admits, and which of the facts he disputes.
- 6.2. If the Respondent counterclaims against the Defendant, a formulation of such counterclaim generally compliant with the requirements of paragraph 4 of these Rules;
- 6.3. The conclusions in fact and law, as claimed by the Respondent;
- 6.4. The relief claimed by the Respondent from the Arbitrator.
- 6.5. All documentary evidence which may prove the Respondent's defence, cross-referenced to the Statement of Defence or Statement of Claim (or Statement of Counterclaim), as the case may be.
- 6.6. Witnesses statements where evidence relies on or is dependent on a witness, such statements to be signed and to be confirmed to be true, correct and complete by such witness.

7. To the extent that the Respondent makes a counterclaim, the Claimant may respond to

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the counterclaim in a document termed "*Statement of Defence to Counterclaim*" in accordance with the provisions of Rule 6.

Reply

8. If the Respondent raises new matters in his Statement of Defence, the Claimant may reply thereto within 10 (ten) Business Days from receipt of the Statement of Defence, but otherwise on substantially the same basis as set out under paragraphs 4 and 5. Such replying document shall bear the heading "Reply". The provisions of this Rule shall likewise apply to new matters raised by a Claimant in a response to a counterclaim by the Respondent.

Ruling by Default

9. If the Respondent has not opposed the Claimant's Statement of Claim, or has not opposed any particular claim within the Claimant's Statement of Claim, the Arbitrator may:
 - 9.1. accept the version of the Claimant as stated in the Statement of Claim (or the particular claim within the Claimant's Statement of Claim, as the case may be), and may make an appropriate ruling; or
 - 9.2. nevertheless require the Claimant to appear at a hearing, interrogate, question and examine the Claimant, and make an appropriate ruling.

Ruling without Hearing

10. The Arbitrator may make a ruling without a hearing (or any particular claim within the Claimant's Statement of Claim, as the case may be) if the following circumstances are present:-
 - 10.1. the Arbitrator is satisfied that he or she can make such a ruling on the basis of the information, documents and witness statements contained in the Papers; and

- 10.2. if there is no material dispute on the facts stated by both Parties, i.e. if it is materially only the conclusions of fact and the law (or the interpretation thereof) that the Parties disagree on. The Arbitrator shall decide on the papers whether or not there is such a dispute on the facts.

Hearing

11. If the Respondent has opposed the Claimant's Statement of Claim by filing a Statement of Defence, the matter is referred to a hearing at a date and time determined by the Arbitrator, provided that the Arbitrator gives at least 3 (three) Business Days' notice of a hearing.
- 11.1. The Papers provided by the Parties form the basis for the disputes at the hearing.
- 11.2. At a hearing, the Arbitrator:
- 11.2.1 hear both the Claimant and the Respondent (if they so wish to be heard), and provide them with the appropriate opportunity to present their case;
 - 11.2.2 may but is not obliged to hear oral evidence and may allow either Party to present relevant witnesses and relevant proof;
 - 11.2.3 shall allow either Party to be represented by its legal practitioners.
- 11.3. The purpose of the hearing is to ensure a speedy resolution of the substance of the disputes between the Parties in the most efficient manner, without unnecessary leading of oral evidence, postponements or procedural formalities. Accordingly, in conducting the hearing, the Arbitrator:
- 11.3.1 shall have an active and inquisitorial function;

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- 11.3.2 shall actively seek to curtail the proceedings;
- 11.3.3 shall not be required to deal with or hear evidence on matters that are common cause between the Parties on the Papers, but shall give emphasis only on the outstanding disputes of facts;
- 11.3.4 shall, where the evidence is inconclusive, be competent (but not be obliged) to make a ruling that he deems to be just and equitable.

Evidence

- 12. The Arbitrator shall not be required to follow the strict rules of evidence under statutory or common law applicable in Namibia. Accordingly:
 - 12.1. The witnesses statements annexed to the papers shall form the primary basis of each Party's case.
 - 12.2. There shall be no need to lead oral evidence, nor shall there be any cross-examination of witnesses unless allowed by the Arbitrator on the specific request of either Party and on good cause shown, it being the intention to reduce the leading of oral evidence and cross-examination to a minimum.
 - 12.3. None of the statutory or common law rules on evidence (including, for the avoidance of doubt, the hearsay rule) shall apply, but the Arbitrator shall weigh any and all evidence in accordance with its relevance only.

Documentary Evidence

- 13. Unless challenged by a Party on good cause shown, the Arbitrator shall admit all documentary evidence as presented by the Parties on the basis that such documents are what they purport to be.
- 14. Either Party shall be obliged to deliver to the other Party, in the cause of delivering its

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Statement of Claim, Statement of Defence or Reply, and as a separate bundle, any and all documents, plans and photographs which are relevant and material to the matter, and which will prove or disprove either Party's case.

15. Documentary evidence not annexed to the Papers or not disclosed pursuant to paragraph 14 shall generally not be admissible to the hearing except on application by a Party and on good cause shown to the Arbitrator.

Record of Proceedings

16. The Arbitrator shall keep a record of the proceedings at the hearing, but such record need not be a verbatim record of everything that was said at such hearing.

Rulings

17. The Arbitrator shall make his ruling within 10 (ten) Business Days from the date of the hearing.
18. Rulings by the Arbitrator shall be made in writing and shall provide brief reasons for the ruling.
19. The Arbitrator may resolve any procedural matter not covered or not contemplated by these Rules by making an *ad hoc* ruling in this regard.

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