

Memorandum of Agreement

For

**South Africa Energy Metallurgical Special
Economic Zone Project**

Between

Limpopo Economic Development Agency

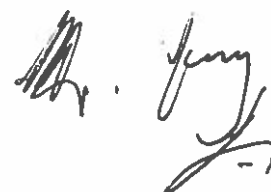
And

South Africa Energy Metallurgical Base (Pty) Ltd

And

MCC International Incorporation Ltd

24 July, 2018

Handwritten signatures of two individuals, likely representing the parties to the agreement.

Memorandum of Agreement

For

South Africa Energy Metallurgical Special Economic Zone Project

Between

Limpopo Economic Development Agency

A Provincial Government Business Enterprise constituted in terms of the Limpopo
Economic Development Agency Act, 5 of 2016
(Hereinafter referred as "The Agency")

And

South Africa Energy Metallurgical Base (Pty) Ltd.

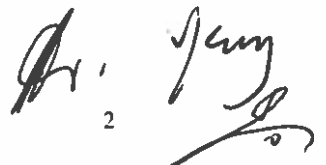
A company incorporated and existing under the laws of the Republic of South Africa
(Hereinafter referred as "SAEMB")

And

MCC International Incorporation Limited

A company incorporated and existing under the laws of the People's Republic of
China
(Hereinafter referred as "MCCI")



The Agency, SAEMB, MCCI are hereinafter collectively referred to as "the Parties".



Whereas,

- A. Pursuant to the provisions of the Special Economic Zones Act, 16 of 2014, and in terms of Government Gazette No. 41287 of 1 December 2017, Limpopo Economic Development Agency's application for specific land portion to be designated as a special economic zone was approved by the South African Government and was designated as the Musina-Makhado Special Economic Zone.
- B. South Africa Energy Metallurgical Special Economic Zone (hereinafter referred to as EMSEZ) is a state-level energy metallurgical cluster in the Musina Makhado Speical Economic Zone which has been approved by the Government of South Africa;
- C. The Agency is a Provincial Government Business Enterprise in charge of the Economic Development affairs of Limpopo Province.
- D. SAEMB has acquired the Operator Permit for the EMSEZ which was issued by the Government of South Africa for the development, operation and management of the EMSEZ;
- E. MCCI is a fully-owned subsidiary of Metallurgical Corporation of China Ltd. (hereinafter referred to as "MCC"), who is the builder of China's ferrous and nonferrous metallurgical industry, possessing requisite technology and rich experience in the ferrous and nonferrous processing field, and has also completed successfully lots of projects in the field of industrial zone, infrastructure, housing, hotel, shopping mall, etc. As a world famous contractor, MCC has been active in overseas market since the 1980s, and has established a very good reputation. MCCI is the integrated platform company of MCC authorized to operate and manage its overseas business on behalf of MCC.
- F. SAEMB has completed the proposal for the development of the EMSEZ project (hereinafter referred to as "the Project") with the assistance of MCCI;
- G. The Agency has agreed to build related infrastructure to facilitate the development of the Project;
- H. Both SAEMB and MCCI agree to cooperate with each other in the development of the Project, as well as to bid for the construction of the infrastructure projects to be developed by the Agency.

1. **After friendly negotiations, the Parties agreed as follows:**

 - 
3

To enter into this Memorandum of Agreement with the view to carry forward the cooperation between the parties in the development of the Project and the construction of the infrastructure projects;

2. Project Overview

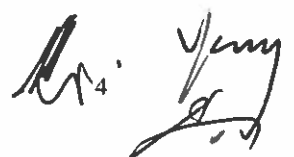
The Project is located in Musina-Makhado, Limpopo province, South Africa, with an area of 60 square kilometers. The following items shall be constructed under the Project: coal washery of 12,000,000t/a; Coal-fired Power Plant of 3,000,000kW; coking plant of 3,000,000t/a; stainless steel plant of 3,000,000t/a; high-carbon ferrochrome plant of 3,000,000t/a; silicomanganese plant of 500,000t/a and metallurgical lime plant of 1,000,000t/a, ferromanganese plant of 1,000,000t/a. The supporting government administrative service center, living zone service center (residence, apartment, hotel, shopping mall, hospital and school, etc.) as well as comprehensive logistics center of highway, railway and seaway transportation will also be constructed.

3.1 Cooperation Principle

3.1.1 Both SAEMB and MCCI agree to cooperate with each other in the development of the Project, as well as to bid for the construction of the infrastructure projects which will be developed by the Agency.

3.1.2 Regarding the Project, the Parties intend to cooperate with each other on an EPC basis. MCCI will provide SAEMB with necessary assistance in debt financing, meanwhile MCCI will consider minor equity investments which will be subject to approval of its parent company and superior supervision authorities and conditions to be negotiated between the Parties. MCCI will also assist SAEMB in negotiating with banks and potential investors to get financing support for the development of the Project at the appropriate stage of the Project.

3.1.3 The Agency will invite MCCI to bid for the construction of the infrastructure projects to be developed by the agency and will, subject to the provisions of the



applicable South African laws, give consideration for the possible appointment of MCCI as an EPC contractor under conditions acceptable to both parties.

3.2 Work Procedure

3.2.1 The Parties agree to cooperate with each other in accordance with the following procedures:

- a) After the signing of this Memorandum of Agreement, the Agency and SAEMB shall provide MCCI with the information and data they possess, related to the Project.
- b) Based on the documents of the Project provided by SAEMB, MCCI will prepare an overall layout for the Project, meanwhile, SAEMB and MCCI will jointly work out a project implementation plan.
- c) After receiving the bidding documents of the infrastructure projects, MCCI will prepare the technical and commercial offer in an efficient and cost-effective manner.
- d) At the earliest and most suitable time, MCCI's technical and commercial team will arrange a visit to the Project site and conduct its investigation for the implementation of the Project.
- e) The parties undertake to hold further discussions on issues relevant to this Memorandum of Agreement at times and venues convenient to all the parties.
- f) A formal EPC Contract or a number of formal EPC Contracts shall be signed at the most suitable time in order to secure the financing of the Project.
- g) After financing has been secured, MCCI shall execute the Project in accordance with the conditions of the EPC contract to be signed by the parties.

3.3 Undertaking of the Parties

A handwritten signature in black ink, appearing to be 'Dr. Yung', is located in the bottom right corner of the page.

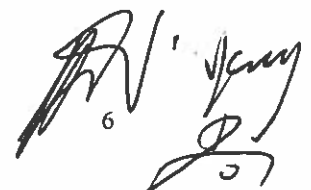
3.3.1 Undertaking of the Agency

- a) The Agency will invite MCCI to bid for the construction of the infrastructure projects to be developed by the agency and subject to the provisions of the applicable South African laws, give consideration for the possible appointment of MCCI as an EPC contractor under conditions acceptable to both parties.
- b) The Agency shall provide the necessary support and assistance to MCCI to enable it to fairly participate in the abovementioned infrastructure projects and, if successful, facilitate the processing of approvals, endorsements, licenses, permits and other clearances as may be required by MCCI to carry out the infrastructure projects and the Project.
- c) The Agency will assist MCCI in complying with the applicable legislation in South Africa including Broad Base Black Economic Empowerment legislation.

3.3.2 Undertaking of SAEMB

- a) SAEMB agrees to assist MCCI to secure the infrastructure projects and sign the EPC contract(s) with MCCI for the Project.
- b) SAEMB shall provide all necessary information and or data for MCCI for the implementation of infrastructure projects and the Project.
- c) SAEMB shall provide necessary assistance to MCCI delegation's during their site visit in South Africa.
- d) SAEMB shall be responsible for securing the financing for the Project, with MCCI's necessary assistance.
- e) SAEMB shall provide MCCI with all necessary assistance to ensure the smooth execution of the infrastructure projects and the Project.

3.3.3 Undertaking of MCCI



Handwritten signature and date: 6/1/2017

- a) MCCI will negotiate and sign the EPC contract(s) with the Parties for the infrastructure projects and the Project.
- b) After receiving the bidding documents of the infrastructure projects, MCCI will prepare the technical and commercial offer in an efficient and cost-effective manner. Once the infrastructure projects are awarded, MCCI will ensure that the projects will be executed smoothly with SAEMB's assistance.
- c) MCCI will provide SAEMB with necessary assistance to secure the financing from banks and potential investors for the Project, as well as consider minor equity investments which will be subject to approval by its parent company and the superior supervision authorities and the conditions to be negotiated.
- d) After the EPC contract is signed and financing has been secured, MCCI shall execute the Project in accordance with the conditions of the EPC contract.

4 Confidentiality

The parties shall ensure that no information, data, or intellectual property of any nature whatsoever, in printed or electronic form, pertaining to this Agreement, or other data supplied by the parties to each other will be disclosed to any other party, unless prior written approval is obtained from the rest of the parties. The parties undertake to use such information, data, or intellectual property provided by the parties to each other, for the above-mentioned purpose only.

5 Effective Date and Validity Period

This agreement shall take effect on the date of signature of the last party signing and shall remain in full force and effect for a minimum period of twenty four (24) months, which period may be extended by a signed agreement among the parties.



6 Dispute and Arbitration

6.1 Dispute Resolution

- a) All disputes in connection with this Agreement shall be settled through friendly negotiations among the Parties.
- b) If the parties cannot resolve any such dispute or difference within thirty (30) days of delivery of the Dispute Notice, or such a period as the parties may subsequently agree, then the dispute shall be settled through arbitration.

6.2 Arbitration

- a) In case no settlement can be reached through friendly negotiation in accordance with sub-clause 6.1, it shall be referred to and finally be resolved by arbitration in Hong Kong at the Hong Kong International Arbitration Centre, in accordance with the arbitration rules of the International Chamber of Commerce applicable at the time;
- b) The arbitration shall be conducted in the English language by three arbitrators. Each Party will select one arbitrator and the third arbitrator will be selected by the two Arbitrators. The Arbitration verdict shall be deemed final and binding on the Parties.
- c) The cost of arbitration shall be borne by the losing party unless otherwise awarded by the said Arbitration Committee.

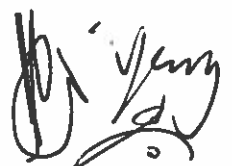
7 Notice

Any notice, request or other communication shall be in writing, in English, and shall either be delivered by hand or by telefax or by e-mail to the addresses of the respective parties detailed in the introduction to this agreement among the Parties.

8 Miscellaneous

8.1 Variations to be in writing

No additions to or variation, deletion or agreed cancellation of all or any clauses



or provisions of this agreement will be of any force of effect unless in writing and signed by the parties.

8.2 Whole Agreement

This agreement constitutes the whole of the agreement among the parties relating to the matter dealt with herein and no undertaking, representation, term or condition relating to the subject matter of this agreement not incorporated in this agreement shall be binding on either of the parties.

8.3 Applicable Law and Jurisdiction

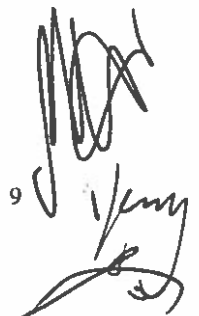
This agreement will in all respects be governed by and construed under the laws of the Republic of South Africa.

8.4 Mutual Support

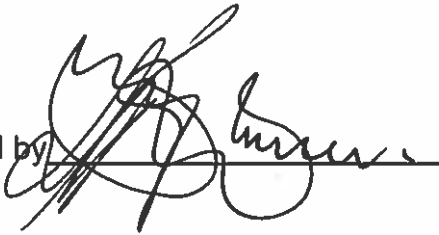
The parties undertake at all times to do all such things, perform all such actions and take all steps as may be opened to them.

IN WITNESS THEREOF, the Parties have this Agreement executed in four (4) counterparts of equal content and for the same effect, by their duly authorized representatives, on the date as written hereafter, in the presence of witnesses as subscribed below.

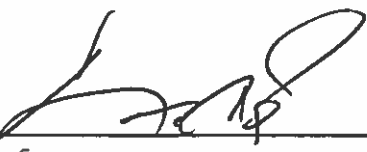
-----No Text-----

Handwritten signature and initials in the bottom right corner of the page.

LIMPOPO ECONOMIC DEVELOPMENT AGENCY (The Agency)

Signed by  in South Africa on the 24th July, 2018

South African Energy Metallurgical Base (Pty) Ltd (SAEMB)

Signed by  in South Africa on the 24th July, 2018
Chuanhua Shang

MCC International Incorporation Ltd.(MCC)

Signed by  in South Africa on the 24th July, 2018