

## ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Agreement") is dated the 31 day of July, 2023.

### AMONG

CONTINENTAL LITHIUM AFRICA DEVELOPMENT CORPORATION, a company incorporated under the laws of British Columbia and having an address at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8

(the "Assignor")

### AND:

MOONBOUND MINING LTD., a company incorporated under the laws of British Columbia and having an address at 2820 - 200 Granville Street, Vancouver, BC V6C 1S4

(the "Assignee")

### WHEREAS:

A. On May 19, 2023, as amended and made binding on June 23, 2023 (collectively, "MOU"), a copy of which is attached as Schedule A hereto, among the Assignor, Alfeus Tomas and Paulus Nghifikepunye (collectively, the "Original MOU Parties"), the Original MOU Parties agreed to participate in the exploration and development of certain mineral claims in Namibia;

B. Following the execution of the MOU, the Assignor and the Assignee (each, a "Party" and together, the "Parties") entered into a non-binding letter of intent (the "LOI") dated June 23, 2023 setting out the essential terms and conditions by which the Assignee would take assignment (the "Assignment") of the MOU in consideration for the issuance of 12,000,000 units (each, a "Unit") of the Assignee; and

C. Pursuant to the terms of the LOI, the Assignor and the Assignee have agreed to enter into this Agreement, which shall seek to replace and supersede the LOI and formalize, confirm and provide certain additional standard terms and conditions in respect of the Assignment pursuant to which the Assignor shall assign all of its right, title and interest in and to the MOU to the Assignee and the Assignee shall accept such Assignment and assume all obligations thereunder on the terms and conditions set out herein.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises, covenants and agreements hereinafter set forth and other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by each Party), the Parties hereto covenant and agree each with the other as follows:

1. **Assignment.** As of the Closing Date (as defined herein), the Assignor assigns and transfers to the Assignee and sets over absolutely and unconditionally to the Assignee all right, title and interest in and to the MOU, and the Assignee accepts the Assignment.
2. **Assumption.** As of the Closing Date, the Assignee agrees and covenants to assume, observe, perform and discharge all obligations of the Assignor in the MOU and to be bound by and liable under all of the terms of the MOU in the same manner and to the same extent as if the Assignee was a party to the MOU in place and stead of the Assignor.
3. **Indemnity.** Effective upon the Assignment, the Assignee agrees to indemnify, defend and save harmless the Assignor from and against any and all actions, suits, losses, damages and expenses which the Assignor may suffer or incur on or after the Closing Date in connection with the MOU.
4. **Confirmation.** The Assignor represents and warranties as of the Closing Date that the MOU, except as modified herein, is in full force and effect and the Assignor has not transferred, sold or assigned any right or obligation thereunder to any person.
5. **Consideration.** As consideration for the Assignment, the Assignee will issue to the Assignor 12,000,000 Units, at a deemed price of \$0.12 per Unit, with each Unit consisting of one common share (each, a "**Share**") in the capital of the Assignee and one Share purchase warrant (each, a "**Warrant**"), with each Warrant exercisable for a period of two years at an exercise price of \$0.20 per Share.
6. **Acknowledgement.** The Assignor and the Assignee acknowledge and agree that, following the Assignment, the Assignee may request that the Original MOU Parties enter into a restated MOU (the "**Restated MOU**"), pursuant to which the Assignor is replaced with the Assignee as a party to the Restated MOU.
7. **Documents Required From the Parties.**
  - (a) The Parties must complete, sign and return to the Assignee an executed copy of this Agreement and any other schedules or requested by the Assignee, acting reasonably.
  - (b) The Assignor shall complete, sign and return to the Company as soon as possible, on request by the Assignee, any documents, notices and undertakings as may be required by regulatory authorities and applicable law.
  - (c) **The Assignor acknowledges and agrees that Clark Wilson LLP has acted as counsel only to the Assignee and is not protecting the rights and interests of the Assignor. Accordingly, the Assignor acknowledges and agrees that the Assignee and Clark Wilson LLP have given the Assignor the opportunity to seek, and have recommended that the Assignor obtain, independent legal advice with respect to the subject matter of this Agreement and, further, the Assignor hereby represents and warrants to the Assignee and to Clark Wilson LLP that the Assignor has sought independent legal advice or waives such advice.**

8. **Closing.** Closing of the Assignment and issuance of the Units shall occur on the date that is five (5) business days following the submission by the Assignee of a Form 9 - *Notice Of Issuance Or Proposed Issuance Of Listed Securities* with respect to this Agreement or such other date as may be determined by the Assignor and the Assignee, each acting reasonably (the "Closing Date").
9. **Securities Laws.** The Assignor acknowledges and agrees that the Assignee is relying on exemptions from the prospectus requirements found in Section 2.12 of National Instrument 45-106 - *Prospectus Exemptions* to issue the Units to the Assignor.
10. **Legending and Registration of Shares.** The Assignor hereby acknowledges that a legend may be placed on the certificates representing the Shares and the Warrants to the effect that the Shares and the Warrants represented by such certificates are subject to resale restrictions contained in or required by the securities laws applicable to the Assignor or proposed transferee. Assignor hereby acknowledges and agrees to the Assignee making a notation on its records or giving instructions to the registrar and transfer agent of the Assignee in order to implement the restrictions on transfer set forth and described in this Agreement.
11. **Mutual Representations and Warranties.** Each of the Parties represents and warrants to the other Parties that:
  - (a) it is duly formed and validly existing under the laws of its jurisdiction of formation and is in good standing with respect to the filing of returns;
  - (b) it has the power and capacity to enter into this Agreement and to observe and perform all its covenants and obligations herein set forth; and
  - (c) this Agreement constitutes a legal, valid and binding obligation of the party enforceable against such party in accordance with its terms and it has taken all necessary action to authorize the execution, delivery and performance of this Agreement.
12. **Additional Covenants.** In connection with the entry into of this Agreement, the Parties covenant and agree to enter into any agreement(s) deemed necessary by the Assignee and the Assignor, each acting reasonably, to effect the Assignment.
13. **Notices.** Any notice, direction or other communication required or permitted to be given under this Agreement must be in writing and shall be sufficiently given if it is delivered in accordance with the following:

The address for Assignor shall be:

Continental Lithium Africa Development Corporation  
2200 HSBC Building, 885 West Georgia Street  
Vancouver, BC V6C 3E8

Attention: Steve Mynott

Email: [REDACTED]

The address for the Assignee shall be:

Moonbound Mining Ltd.  
2820 - 200 Granville Street  
Vancouver, BC V6C 1S4

Attention: Ann Fehr

Email: [REDACTED]

14. **Governing Law.** This Agreement will be exclusively governed by and construed in accordance with the laws of British Columbia.
15. **Further Assurances.** Each Party shall, at all times hereafter at the request and cost of any other Party, execute such further and other documents and undertake such further acts as such other Party may reasonably require in order to evidence or give effect to the terms of this Agreement.
16. **Costs.** The Assignor acknowledges and agrees that all costs and expenses incurred by the Assignor (including any fees and disbursements of any special counsel retained by the Assignor) relating to this Agreement shall be borne by the Assignor.
17. **Amendment.** Except as otherwise provided herein, this Agreement may only be amended by the Parties in writing.
18. **Effect.** This Agreement shall be read and construed along with the MOU and such provisions shall, together with all the terms, covenants and conditions thereof, be and continue to remain in full force and effect except as modified by this Agreement.
19. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered will be deemed to be an original, all of which taken together will constitute one and the same document. This Agreement may be executed and delivered by facsimile or other means of electronic transmission capable of producing a signed copy.

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the Effective Date.

**CONTINENTAL LITHIUM AFRICA DEVELOPMENT CORPORATION**

Per: "Steve Mynott"  
\_\_\_\_\_  
Authorized Signatory

**MOONBOUND MINING LTD.**

Per: "James Lumley"  
\_\_\_\_\_  
Authorized Signatory

SCHEDULE A

MEMORANDUM OF UNDERSTANDING

*[See Attached]*

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**MEMORANDUM OF UNDERSTANDING**

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**Between**

**NEWFUEL TECHNOLOGIES CORP**

**ALFEUS TOMAS**

**and**

**PAULUS NGHIFIKEPUNYE**

**PARTIES TO THIS MEMORANDUM**

The Parties to this Memorandum of Understanding are:

- (1) **NEWFUELS TECHNOLOGIES CORP**, whose principal address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8 Canada ("Newfuel"), and
- (2) Tomas Alfeus, identity number 75050110122, an individual residing at 692 Ara Street, Dorado Park, Windhoek, Namibia ("Alfeus"), and
- (3) Paulus Nghifikepunye, identity number 80100210198, an individual residing at 3 Schuster Street, CBD, Windhoek, Namibia, ("Buxa"),

**RECORDAL**

The Parties record the following:

1. Alfeus is the holder of mining claim applications:
  - a. 70010
  - b. 70011
  - c. 70012
  - d. 70459
  - e. 70460
 And the "Strathmore" mining claims:
  - f. 71475,
  - g. 71476,
  - h. 71477,
  - i. 71478,
  - j. 71479,
  - k. 71480, and
  - l. 71481.

Collectively the "Licences" granted and issued to it by the Minister of Mines and Energy in terms of the provisions of the *Minerals Act, 1992*;

2. Alfeus wishes to engage a partner to assist it in funding and conducting prospecting operations in respect of the Licences, and Newfuel, in consideration for providing such assistance, wishes to acquire an interest in the Licences through the establishment of and by holding shares in an incorporated joint venture entity;
3. Newfuel and Buxa wish to establish a Namibian private company for the purposes of constituting such incorporated joint venture entity, which is to become the holder of the Licences;
4. Subject to the further negotiation, finalisation and execution of definitive agreements, Newfuel and Buxa hereby wish to record their intent in relation to the formation of an incorporated joint venture in respect of the Licences, as well as to facilitate relevant due diligence investigations and negotiations



leading up to the establishment of their intended incorporated joint venture;  
and

5. Alfeus and Buxa will develop a solution to enable the legally compliant operation of the Licences to the benefit of Newco.

### MEMORANDUM OF UNDERSTANDING

The Parties agree as follows:

#### 1 Definitions and Interpretation

##### Definitions

1. In this Memorandum, unless the context indicates otherwise,
  - 1.1.1 "Commencement Date" means the date on which the Definitive Agreements become binding on the Parties in their terms;
  - 1.1.2 "Definitive Agreements" means any and all formal written agreements required to be executed between the Parties (or the Parties and any third parties) as may be necessary to conclude and complete the Intended Transaction, the minimum terms of which are described in Schedule 2 to this Memorandum;
  - 1.1.3 "Confidential Information" means any information (written, oral or visual) of whatever kind (whether commercial, technical, geological, financial operational or otherwise), and in whatever form contained, pertaining to the business or affairs of any of the Parties, which is not in the public domain, and which is disclosed either by Newfuel to Buxa and Alfeus, or by Alfeus or Buxa to Newfuel, pursuant to the provisions of this Memorandum, and includes the Due Diligence Information;
  - 1.1.4 "Due Diligence Information" means the information required to be disclosed and provided by Buxa or Alfeus to Newfuel pursuant to the provisions of this Memorandum, as further specified in Schedule 1;
  - 1.1.5 "Earn-in Shares" means 70 % (seventy percent) of the entire issued share capital in Newco;
  - 1.1.6 "Exclusivity Period" means the period contemplated in clause 2.3;
  - 1.1.7 "Intended Transaction" means the intended formation and operation by Buxa and Newfuel of an incorporated joint venture (through Newco) for the development of the Licence, with a view of placing the Licences into production, the basic features of which transaction are set out in clause 3, but which transaction shall be subject to the final terms and conditions of the Definitive Agreements;
  - 1.1.8 "Licences" means exclusive prospecting licences, mining claims, mining licences and mining concessions as listed in Recordal 1, held at the Signature Date by Buxa, and includes any renewal of the Licences or any conversion of the Licences into another type of mineral licence;
  - 1.1.9 "Memorandum" means this document and includes the Schedule;

- 1.1.10 "Negotiations" means any meetings, discussions and exchanges of communications between the Parties towards and with the purpose of finalising the Definitive Agreements;
- 1.1.11 "Newco" means a private company with limited liability incorporated in terms of the *Companies Act, 2004* with a total issued share capital of 100 (one hundred) ordinary par value shares of N\$ 1,00 (one Namibian Dollar) each, Namibia, to be acquired or established by the Parties under the Definitive Agreements, as per the further provisions of clause 3;
- 1.1.12 "Party" means, as the case may be, either Buxa, Alfeus or Newfuel, and "Parties" means all of Buxa, Alfeus and Newfuel;
- 1.1.13 "Schedule" means the document annexed to this Memorandum, being Schedule 1 – Due Diligence Information; and
- 1.1.14 "Signature Date" means the date on which the last of the Parties hereto has executed this Memorandum.

#### Interpretation and Construction

- 1.2 In this Memorandum, unless the context otherwise indicates, a reference to:
- 1.2.1 this Memorandum, any other agreement or an instrument or any provision of any of them includes any amendment, variation or replacement of that agreement, instrument or provision;
- 1.2.2 a clause, unless the context otherwise indicates, is a reference to a clause of this Memorandum;
- 1.2.3 a document in the "agreed form" is a reference to a document in a form approved and for the purposes of identification signed by or on behalf of the Parties or in such form as may be agreed by or on behalf of the Parties;
- 1.2.4 a statute or statutory provision includes a reference to:-
- (a) the statute or statutory provision as modified or re-enacted or both before the date of this Memorandum; and
  - (b) any subordinate legislation made under the statute or statutory provision before the date of this Memorandum;
- 1.2.5 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;
- 1.2.6 a person includes a reference to that person's legal personal representatives, executors, administrators, successors and substitutes (including, but not limited to, persons taking by novation) and permitted assigns;

- 1.2.7 one gender includes all genders;
- 1.2.8 time is a reference to Namibian time as per the *Namibian Time Act, 1994*, and the following construction shall apply to time matters:-
- (a) 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;
  - (b) if the time for performing an obligation under this Memorandum expires on a day that is not a business day, time will be extended until the next business day;
  - (c) a reference to a month is a reference to a calendar month;
  - (d) a reference to a day is a reference to any day;
  - (e) a reference to a business day is any day other than a Sunday or public holiday in Namibia;
- 1.3 Clause headings appear in this Memorandum for reference purposes only and shall not be employed in the construction of the subject matter.
- 1.4 Any provision of this Memorandum 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.
- 1.5 Where any term is defined within the context of any particular clause in this Memorandum, the term so defined, unless it is clear from the clause in 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 Memorandum, notwithstanding that that term has not been defined in this clause 1.
- 1.6 Phrases in this Memorandum introduced by the term 'include', 'including' or 'in particular' or any similar expression will be construed as illustrative and shall not limit the reach of such phrases.
- 1.7 Where a word or phrase is specifically defined, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- 1.8 This Memorandum shall be construed in accordance with the laws of Namibia.

## 2 Commencement and Duration

- 2.1 This Memorandum shall commence on the Signature Date.
- 2.2 Save for any provisions of this Memorandum referring to the intended commercial terms of the Intended Transaction (which shall not result in any legally binding obligations on the Parties until the execution of the Definitive Agreements), the remaining provisions of this Memorandum (dealing principally with the obligations of the Parties during the Exclusivity Period and relating to the procedures for negotiating the Definitive Agreements) shall constitute legally binding obligations on the Parties. For the avoidance of doubt, it is the intention that only the duly executed Definitive Agreements in their respective final terms shall constitute and result in legally binding obligations in respect of the Intended Transaction.
- 2.3 This Memorandum shall continue for a minimum period of 4 (four) months from the Signature Date, during which time:

- 2.3.1 Alfeus shall grant Newfuel an opportunity to conduct such legal, technical or financial investigations on the Licences and the Due Diligence Information, as Newfuel may deem necessary (herein referred to as the "Due Diligence Investigations"); and
- 2.3.2 Alfeus shall provide Newfuel with the Due Diligence Information, as required in clause 2.4 and as specified in **Schedule 1**; and
- 2.3.3 Newfuel, Alfeus and Buxa shall commence to negotiate the Intended Transaction with a view of finalising the Definitive Agreements; and
- 2.3.4 Alfeus and Buxa shall not engage in any negotiations for, nor enter into any agreement with any third party in relation to any business opportunity (including, but not limited to any farm-in arrangement) pertaining to the Licence,

(the "Exclusivity Period", as defined).

#### 2.4 Obligations of Alfeus

- 2.4.1 Within 21 (twenty-one) days of the Signature Date, Buxa and Alfeus shall provide Newfuel with the Due Diligence Information recorded in **Schedule 1**;
- 2.4.2 As from the Signature Date, and during the Exclusivity Period, Buxa and Alfeus shall not engage in any negotiations for, nor enter into any agreement with any third party in relation to any business opportunity (including, but not limited to any farm-in arrangement) relating to the Licence.

#### 2.5 Termination of Exclusivity Period and Memorandum

- 2.5.1 If, during the Exclusivity Period, Newfuel should resolve not to proceed with the Intended Transaction or the Negotiations, Newfuel may give written notice to that effect to Buxa and Alfeus, upon which the Exclusivity Period shall *ipso facto* terminate, and Buxa and Alfeus shall no longer be precluded from negotiating with third parties in relation to the development of the Licence.
- 2.5.2 In the event of Newfuel, subsequent to considering the results of the Due Diligence Investigations, not being desirous to continue with the Negotiations or the Intended

Transaction, it shall be entitled to give Buxa and Alfeus written notice to that effect, in which case none of the Parties shall have any further obligations to each other under this Memorandum.

### 3 Intended Transaction

#### Proposed Transaction

- 3.1 Based on initial discussions between Buxa and Newfuel, the Parties propose to enter into the following transaction (the "**Intended Transaction**", as defined), which shall be subject to the final terms and conditions of the Definitive Agreements:

#### Establishment of Newco

- 3.1.1 Buxa shall establish or acquire Newco, which shall be a private company with limited liability incorporated under the laws of Namibia, having a total issued share capital of 100 (one hundred) ordinary par value Shares of N\$ 1,00 (one Namibian Dollar) each.

#### Shareholding in Newco

- 3.1.2 In consideration for the contribution made or to be made by Newfuel to Newco, as contemplated in clause 3.1.4, Buxa shall cause the transfer or issue (as the case may be) of shares to Newfuel, so that –
- (a) Newfuel ultimately holds 70% (seventy per cent) of the issued share capital in Newco (the "**Earn-in Shares**", as defined); and
  - (b) Buxa ultimately holds 30% (thirty per cent) of the share capital in Newco.

#### Exclusive rights to the Licences

- 3.1.3 Buxa and Alfeus will formalize an exclusive access agreement to the Licences such that a legally compliant solution is developed such that Newco has the rights and benefits of operating the Licences. It is foreseen that the following options, in order of priority, provide a solution to the current constraints of the Licences being mining claims and mining claim applications:
1. Obtain exemption from the Ministry of Mines and Energy for Newco to operate the Licences to the benefit of Newco. This is the preferred option;
  2. Conversion of the Licences to Mining Licences to be registered with Newco; or
  3. Develop a commercial solution between the Parties such that Newco obtains the benefit of operating the Licences and receiving the revenues from such operating activities. The acceptability of such a commercial solution will be at the sole discretion of Newfuel. This is the least preferred solution.

#### Funding by Newfuel

- 3.1.4 Upon –

- (a) transfer or issue of the Earn-in Shares to Newfuel; and
- (b) transfer of the Licences to Newco; and
- (c) renewal and / or granting of the Licences which will allow Newco to conduct exploration operations for a period of not less than 18 (eighteen) months (or such lesser period that Newfuel may be willing to agree to),
  - (i) Newfuel will be obliged to provide Newco within a period of 24 (twenty four months) from the Commencement Date with funds not exceeding N\$ USD 850,000 (eight hundred and fifty thousand United States Dollars).
  - (ii) Newfuel will transfer 600,000 shares in the Canadian holding company of Newfuel or Newfuel's successor shareholding company to Buxa at specific milestones as described in Schedule 2 to this Agreement.

#### Conducting of Prospecting Operations

- 3.1.5 The funding referred to in clause 3.1.4 shall be employed for funding prospecting operations and administrative expenses on the Licences and of Newco. The prospecting operations shall be conducted by Newco (under the management, supervision and control of Newfuel) within a period of not less than 18 (eighteen) months, but not exceeding 24 (twenty four) months from the Commencement Date.
- 3.1.6 In managing, supervising and controlling the prospecting operations on behalf of Newco, Newfuel shall have the right, in its sole discretion, but subject to any conditions imposed by the Licences and the provisions of the *Minerals Act, 1992*, to -
- (a) propose and cause the amendment of the existing work programme of the Licence;
  - (b) determine -
    - (i) the nature and magnitude;
    - (ii) the contents and timing; and
    - (iii) the amount of expenditure,
 of the prospecting operations;
  - (c) manage, direct and control prospecting operations in accordance with the work programme and budgets,

- (a) acquire all necessary materials, supplies, equipment, water, utility and transportation services and accessory works required for the prospecting operations;
- (b) outsource or delegate, on behalf of Newco, any part of the prospecting operations to any subcontractor or third party, against remuneration or otherwise; and
- (f) in consultation with [Party 2], terminate prospecting operations, if in Newfuel's opinion the further conducting of prospecting operations is no longer viable.

#### Funding of Newco

- 3.1.5 Newfuel will fund all project development activities, including prospecting and resource definition studies, unless specifically mentioned otherwise in this Agreement, up until, the publication of a Preliminary Economic Assessment (PEA) report. This funding will not be reimbursed by Buxa.
- 3.1.6 Buxa, on the one part, and Newfuel, of the other part, shall, as shareholders of Newco, be required to fund all feasibility studies, development, mining and operating expenditure of the Company and on the Licences in relation to their shareholding ("*pro rata*"), provided, however, that -
- (a) prior to Newco taking a decision to commence mining operations in respect of the Licence, Buxa shall be funded by Newfuel, in that Newfuel shall be obliged to provide the *pro rata* portion of all such expenditure required to be provided by Buxa through the provision of an inter-shareholder or inter-company loan;
  - (b) following a decision to commence mining operations on the Licence, Buxa not providing its *pro rata* portion of all such expenditure, and not availing itself to the loan contemplated in (a) above, the shareholding held by Buxa in Newco shall be diluted in accordance with a formula to be agreed in the Definitive Agreements, unless Newfuel agrees to fund Buxa's *pro rata* portion; or
  - (c) following a decision to commence mining operations on the Licence, Buxa providing its *pro rata* portion of all such expenditure, no loan agreement or dilution of shares shall occur; and
  - (d) Buxa will not be accountable for the direct repayment of any funding which is not considered part of the debt structures contemplated in 3.1.6 (a) to (c), including, but not limited to, export credit agency debt, trade finance, development organizational funding, etc., which shall be repaid by Newco. Buxa may need to comply with the conditions of such funding, including, but not limited to, the provision of parent company guarantees.

- 3.1.7 In the circumstances referred to in clause 3.1.8 (b), any amount expended by Newfuel on behalf of Buxa which would, but for the provisions of clause 3.1.8 (a) or (b), have resulted in a dilution of the shareholding held by Buxa in Newco, shall be capitalised and may be recovered by Newfuel from net returns from any mining operations on the Licences until the value of such amount plus bank costs have been fully covered.

Shareholders' agreement

- 3.1.8 Affairs within Newco shall be subject to a shareholders agreement. The basic principles of such shareholders agreement shall be the following:

- (a) Subject to clause 3.1.10 (b), all decisions will be taken on the basis of a simple majority vote, save where the *Companies Act, 2004* requires a special resolution, or where the shareholders agreement requires a higher majority.

- 3.1.9 Newfuel will be entitled to appoint 2 (two) directors to the board of Newco, and Buxa will be entitled to appoint 1 (one) director to the board of Newco.

- 3.1.10 Newfuel will be entitled to a first right of refusal should Buxa wish to sell any or all of its shares in Newco.

- 3.1.11 During the normal course of operations, 40% (forty per cent) of post-tax profits, after taking into account adequate working capital, investment requirements, reserves and senior debt repayments, will be allocated to shareholder dividends. The Parties will be allocated their pro-rata share of these dividends based on their equity shareholding in Newco.

Commencement of Intended Transaction

- 3.2 The Intended Transaction and its Commencement Date shall be conditional upon the fulfillment (or, where applicable, waiver by Newfuel) of the following conditions:

- 3.2.1 Alfeus and Buxa having provided Newfuel with the Due Diligence Information as required in terms of clause 2.4;
- 3.2.2 the conclusion, to the satisfaction of Newfuel, of the Due Diligence Investigations;
- 3.2.3 the execution of the Definitive Agreements;
- 3.2.4 the obtaining of all Namibian governmental and regulatory approvals required for the purposes of executing and implementing the Definitive Agreements, including, but not limited to relevant approvals from the Bank of Namibia under



the *Exchange Control Regulations, 1961* (if applicable) and the Namibian Competition Commission established under the *Competition Act, 2003* (if applicable);

- 3.2.5 Buxa and Newfuel being shareholders of Newco as set out in clause 3.1.2;
- 3.2.6 the Licences having been transferred to Newco;
- 3.2.7 Newco being in possession of relevant valid compensation agreements with any private land owners as required in terms of section 52 of the *Minerals Act, 1992*, enabling Newco to commence with exploration operations without any delay;
- 3.2.8 the Licences having been renewed or being valid for such a period as will allow Newco to conduct prospecting operations for a consecutive period of not less than 18 (eighteen) months;
- 3.2.9 there being no material adverse change in the status and good standing of the Licences between the date of this Memorandum and the Commencement Date;
- 3.2.10 Newco being cash free and debt free on the Commencement Date.

#### Representations and Warranties

- 3.3 Buxa and Alfeus jointly and severally represents and warrants to Newfuel that on the Signature Date and during the Exclusivity Period:
  - 3.3.1 no person will have any right (including any option, preferential right or right of first refusal) to acquire or claim delivery, ownership or transfer of the Licence;
  - 3.3.2 Alfeus will have complied with any and all its obligations in terms of the *Minerals Act, 1992* in respect of the Licence;
  - 3.3.3 the Licences will be in good standing with the Ministry of Mines and Energy;
  - 3.3.4 Buxa and Alfeus has no reason to believe that the Licences will not be renewed at the end of its current term, and the Ministry of Mines and Energy has not notified Alfeus or Buxa Investments of its intention to cancel or withdraw the Licence, and Alfeus and Buxa have no reason to believe that the Licences is in threat of any such cancellation or withdrawal.

#### **4 Confidentiality**

- 4.1 The Parties undertake to keep all Confidential Information disclosed by them to each other strictly confidential.
- 4.2 Without limiting the provisions of clause 4.1, the Parties undertake -
  - 4.2.1 not to copy, reproduce, publish or in any way make available any of the Confidential Information to any third party (except

those of their employees or advisers to whom disclosure is strictly necessary) without the prior written consent of the other Party, and to take all reasonable precautions for the safe custody of such Confidential Information;

- 4.2.2 not to use any of the Confidential Information for any purpose other than the Negotiations of the Definitive Agreements;
- 4.1.1 to notify these obligations to any of their employees or advisers who receive the Confidential Information.

4.3 The provisions of clauses 4.1 and 4.2 shall not apply to Confidential Information to the extent that it is:

- 4.3.1 in the public domain, other than on account of the receiving Party's breach of this Memorandum; or
- 4.3.2 lawfully in possession of the receiving Party free of restriction before receipt of the Confidential Information; or
- 4.3.3 revealed by a third party who has the full right to do so.

## 5 Undertaking to Negotiate

- 5.1 The Parties agree to meet and negotiate in good faith on the Definitive Agreements.
- 5.2 The meetings and Negotiations shall be held on mutually agreeable dates and at venues as may be agreed by the Parties.
- 5.3 Any Negotiations between the Parties shall be guided by the:-
  - 5.3.1 contents of the proposals contained in clause 3; and
  - 5.3.2 any deadlines and timelines agreed by them.
- 5.4 The purpose of all Negotiations shall be for the Parties to agree on the terms and conditions, and to execute and sign the Definitive Agreements as soon as reasonably and practically possible within and prior to the termination of the Exclusivity Period.
- 5.5 In the event that the Parties are unable not enter into the Definitive Agreements within the Exclusivity Period, or such further period as they may grant each other, each of the Parties may, by written notice to the other Parties, terminate the Negotiations, in which case none of the Parties shall have any further obligations towards each other under this Memorandum.

## 6 General

### Governing Law

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

Execution

- 6.2 This Memorandum may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument. For the purposes of establishing whether a document is an original counterpart, documents delivered by facsimile or by any means of authenticated electronic transmission shall be deemed an original counterpart.
- 6.3 Each Party shall (at its own expense) do and execute or procure to be done and executed all necessary acts, deeds, documents and things within their power as may be reasonably necessary to give effect to this Memorandum.

Costs

- 6.4 Each Party shall pay its own costs of and incidental to the negotiation, preparation, execution and implementation by it of this Memorandum.

Severability

- 6.5 In the event that any of the terms of this Memorandum are found to be invalid, unlawful or unenforceable, such terms shall be severable from the remaining terms, which will continue to be valid and enforceable.

Unenforceability

- 6.6 If any provisions of this Memorandum are found or held to be invalid or unenforceable, the validity of all the remaining provisions of this Memorandum will not be affected thereby; 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 Memorandum.

Supervening Legislation

- 6.7 Any present or future legislation which operates to vary an obligation or right, power or remedy of a person in connection with this Memorandum is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

No variation

- 6.8 No variation of this Memorandum shall be valid unless it is in writing and signed by or on behalf of each of the parties.

Entire Memorandum

- 6.9 This Memorandum 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

- 6.10 No leniency, extension of time or indulgency allowed by either Party to the other Party shall be interpreted to constitute a waiver of such Party's rights under this Memorandum.

No Cession or Assignment

- 6.11 No Party shall cede, assign or transfer or purport to cede, assign or transfer any of its rights or obligations under this Memorandum, save where expressly permitted herein.

Remedies Cumulative

- 6.12 Except as expressly provided in this Memorandum, the rights and remedies contained in this Memorandum are cumulative and not exclusive of any rights or remedies provided by law.

Time of the Essence

- 6.13 Any date, time or period referred to in this Memorandum shall be of the essence except only to the extent to which the parties agree in writing to vary any date, time or period in which event the varied date, time or period shall be of the essence.

Third Parties

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

Notices and Communications

- 6.15 Any notice or other communication under or in connection with this Memorandum shall be in writing in the English language and shall be delivered personally or sent by pre-paid mail or by telefax to the Party due to receive the same at its address as set out in this Memorandum, or to such other address, as either Party may specify by notice in writing to the other.
- 6.16 In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly given if two of the following occur:
- 6.16.1 if delivered personally, when left at the address referred to in clause 6.17;
- 6.16.2 if sent by express courier 7 (seven) days after dispatching it;
- 6.16.3 if sent by telefax, on completion of its transmission.

- 6.17 All communications and notices to the Parties shall be in writing and addressed to:

Newfuel

Name: James Lumley  
 Company: Newfuel Technologies Corp  
 Address: 2200 HSBC Building, 885 West Georgia Street,  
 Vancouver, BC V6C 3E8 Canada  
 Email: [REDACTED]  
 Telephone No.: [REDACTED]

Tomas Alfeus

Name: Tomas Alfeus  
 Address: [REDACTED]  
 Email: [REDACTED]  
 Telephone No.: [REDACTED]

Buxa

Name: Paulus Nghifikepunye  
 Company: Sincro Investments  
 Address: 3 Schuster Street, CBD, Windhoek, Namibia  
 Email: [REDACTED]  
 Telephone No.: [REDACTED]

- 6.18 The Parties choose the physical addresses as set out in clause 6.17 as their *domicilii citandi et executandi* for all purposes under this Memorandum whether in respect of payment of money, the service or delivery of court or arbitration process, notices or other documents or all other communications.
- 6.19 Any notice or communication required or permitted to be given in terms of this Memorandum will be valid and effective only if it is in writing, but, where, in terms of this Memorandum, any communication is required to be in writing, the term "writing" will include communications by telefax and e-mail.
- 6.20 Any Party may by written notice to the other Party change its telefax number, e-mail address or the address chosen as its *domicilium* address, to another telefax number, address which is not constituted exclusively by a post office box address; such change will become effective on the 5<sup>th</sup> (fifth) business day from the deemed receipt of the notice by the addressee.
- 6.21 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*.

Breach

- 6.22 Should any of the Parties (hereinafter referred to as the "Defaulting Party") commit a breach of this Memorandum, the affected Parties (hereinafter referred to as 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 30 (thirty) days following such written notice, the Affected Party may, at its option, but without any prejudice to its rights to claim damages from the Defaulting Party, cancel this Memorandum by giving written notice to that effect to the Defaulting Party.

Obligations of good faith

- 6.23 Each Party is to act in good faith towards the other Parties including but not limited to:
- 6.23.1 being just and faithful in all activities in dealings with the other Parties in relation to the Memorandum;
  - 6.23.2 attending diligently to the conduct of all activities in relation to the Memorandum; and
- 6.24 The Parties undertake to cooperate and consult with one another in good faith with regard to the alleviation of any hardship which may be occasioned to either Party 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 Memorandum.

[Signatures on next page]

SIGNED on 19 MAY 2023  
by James Lumley  
Newfuel

"James Lumley"

"signed"

WITNESS

"signed"

WITNESS

SIGNED on 23 May 2023  
by  
Tomas Alfeus

"Tomas Alfeus"

"signed"

WITNESS

"signed"

WITNESS

SIGNED on 19 MAY 2023  
by  
Buxa

"signed"

WITNESS

WITNESS

**SCHEDULE 1****DUE DILIGENCE INFORMATION**

Alfeus and Buxa shall provide Newfuel with the following information, documents and data:

**Mineral Licence, Application and Related Documents and Data**

- Copies of the Licences and applications (including all notices of preparedness to grant, supplementary terms and conditions, maps, co-ordinates);
- Copies of all work programmes relating to the Licences;
- Environmental Impact Assessments as required i.t.o. section 50 of the *Minerals Act, 1992*, if applicable;
- Environmental Management Plans as required i.t.o. section 50 of the *Minerals Act, 1992*, if applicable;
- Environmental Clearances for the Licence, if applicable;
- All permits under the *Minerals Act, 1992*, including all approved accessory works permits (if any);
- All compensation agreements in relation to private land owners as required terms of section 52 of the *Minerals Act, 1992*, if applicable;
- All quarterly reports and returns required to be submitted to the Ministry of Mines and Energy for the duration of the Licences;
- All existing geological and other data in possession of Alfeus in relation to the Licence, its existing infrastructure, ore bodies, estimated reserves, tailings dumps etc.;
- All audited financials and access to all financial data and management reports to provide insight into Alfeus historical costs associated with the Licences.



**Schedule 2****Terms of the Definitive Agreements**

The following described the minimum set of terms to be included in the Definitive Agreements as contemplated in this Memorandum:

Contract Period:	All parties will use their best endeavours to complete the Joint Venture Agreement, Operating Agreement and associated documents within one month from the date of the completion of the Due Diligence and affect all of the necessary transfer of contracts, agreements, licences, to a joint venture company to be established by Newfuel (herein referred to as "NewCo") within a further month, or such further time period as Newfuel may allow, but not exceeding four months following the completion of the Due Diligence.
Transfer of intellectual property:	All Intellectual Property owned by Alfeus and Vuxa with respect to the the Licences will be transferred to the joint venture company within 10 business days of the signature of the JV Agreement.

Responsibilities of [Party 2]:	<p>Buxa will use its best endeavours to</p> <ol style="list-style-type: none"> <li>1. Put in place an exclusive Operating Agreement to provide all beneficial rights to NewCo to operate the Licences and maintain the Licences in good standing;</li> <li>2. assist Newfuel with necessary Government approvals and applications where required for the establishment of the Newco;</li> <li>3. provide access to all Alfeus' historical and current technical, legal and commercial information in relation to the Licences, prospecting and mining operations and existing contracts;</li> <li>4. transfer all rights and obligations of existing operational and other contracts into Newco (including, without limitation, all compensation agreements with owners of private land in terms of section 52 of the Minerals (Prospecting and Mining) Act, 1992 and all environmental clearance certificates), and provide NewCo an opportunity to ensure that these contracts are in keeping with good industry practice;</li> <li>5. assist with the transfer of any lease or other agreements or legal relationships to NewCo;</li> <li>6. retrench all employees dedicated to the Licences such that there are no employment obligations transferred to Newco;</li> <li>7. assist with the transfer of any assets relating to and applicable to the Licences to Newco;</li> <li>8. assist in any local and international company registrations and bank account openings relevant to Newco;</li> <li>9. conduct business according to international good practice, with reference to the International Finance Corporation's Performance Standards as a reference standard, as well as in accordance with best and latest prospecting and mining industry practices;</li> <li>10. assist and actively support Newco (including, but not limited to providing relevant motivational letters and engaging with immigration agencies) in obtaining necessary work permits and other government permits necessary to develop the Licences; and</li> <li>11. Provide Newfuel with a first option on any other lithium, tantalum or tin mineral properties or applications (prospecting licenses, exclusive prospecting licences, mining licences or mining claims) it identifies or has rights or options over in Namibia.</li> </ol>
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Investment proposal	Newfuel will -
Newfuel:	<ol style="list-style-type: none"> <li>1. Pay Buxa USD\$150,000 payable upon signing the Definitive Agreements.</li> <li>2. Pay Buxa USD\$200,000 on completion of the following activities: <ol style="list-style-type: none"> <li>a. Establishment of NewCo;</li> <li>b. Signature of the Operating Agreement;</li> <li>c. Approval of the mining concession applications as per Recordals 1 a to e;</li> <li>d. Opening of bank account(s);</li> <li>e. Approval from the Okombahe Reserve authorities for site access for prospecting, exploration, construction and operating activities</li> </ol> </li> <li>3. Pay Buxa USD\$75,000 within 12 months from the date of signing the joint venture agreement.</li> <li>4. Pay Buxa USD\$75,000 within 18 months from the date of signing the joint venture agreement.</li> <li>5. Pay Buxa USD\$75,000 within 24 months from the date of signing the joint venture agreement.</li> <li>6. As contemplated in 3.1.4 (ii), allocate 600,000 shares in the majority shareholder of Newco, i.e. Newfuel, or it's shareholder or successor on the following events: <ol style="list-style-type: none"> <li>a. Three hundred thousand (300,000) shares within one month of the signing of the Definitive Agreements and the conditions stated in point 2,a to e above; and</li> <li>b. Three hundred thousand (300,000) shares within one month of the publication of the NI 43-101 compliant resource and reserve report.</li> </ol> </li> <li>7. Fund the 30% equity held by Buxa , up to feasibility stage.</li> <li>8. Incorporate Newco in Namibia, at Newfuel's cost.</li> <li>9. Provide the necessary capital and operational funding (not exceeding N\$ 300,000,000 (three hundred million Namibia Dollars) to progress the development of the identified resources and conduct prospecting activities on the Licences;</li> <li>10. Conduct activities to identify additional resources and procure a development plan for these new resources, as long as they can be demonstrated to be economically attractive or viable;</li> <li>11. Provide a competent project development and operations management team to support the existing in-country team;</li> <li>12. The Development of Newco will be divided into three clearly defined phases, adopting a prudent approach to the development and advancement of the Project(s), mitigating risk where reasonably and economically possible to do so: <ol style="list-style-type: none"> <li>(A) Phase 1:</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>a. Design and implement a drilling and bulk sampling program to develop a NI 43-101 or equivalent resource estimate of the identified resources.</li> <li>b. Conduct metallurgical test work to provide inputs for plant process design.</li> <li>c. Conduct geotechnical assessments to provide inputs to mine design.</li> </ul> <p>(B) Phase 2:</p> <ul style="list-style-type: none"> <li>a. Conduct an engineering design study to design and cost a spodumene concentration plant to produce a saleable spodumene product.</li> <li>b. Conduct an Environmental and Social Impact Assessment and develop an Environmental and Social Management Plan.</li> <li>c. Produce a Preliminary Economic Assessment report on the Licences.</li> <li>d. Develop a geological model of the resources.</li> <li>e. Develop a mining plan of the resources.</li> <li>f. Conduct a feasibility study for the implementation of the designed solution in order to extract, process and export the resources.</li> </ul> <p>(C) Phase 3:</p> <ul style="list-style-type: none"> <li>a. Construct the processing plant and necessary support infrastructure.</li> <li>b. Contract or self-perform the necessary operating services to operate the mining, processing and support infrastructure.</li> <li>c. Define and recruit the necessary organizational structure.</li> <li>d. Manage the procurement process of equipment and services with the objective of exceeding legislated local content targets.</li> <li>e. Manage the construction and commissioning of ore extraction, processing and supporting activities.</li> <li>f. Develop a product transport (logistics), sales and marketing plan.</li> </ul> <ul style="list-style-type: none"> <li>9. Cover the costs of any due diligence and evaluation activities, including exploration activities required to qualify the resource according to Canadian National Instrument 43-101 standards for a preliminary geological assessment.</li> <li>10. Provide an inter-shareholder loan to Buxa in order to finance the exploration and development activities, should this be required.</li> <li>11. Newfuel may establish a shared services company to provide technical, HR, finance, environmental, social, communication and legal support to NewCo in order to ensure the efficient use of resources and minimisation of costs.</li> </ul>
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**CONTINENTAL LITHIUM AFRICA DEVELOPMENT CORPORATION**  
(formerly, NewFuel Technologies Corp.)

- and -

**ALFEUS TOMAS**

-and-

**PAULUS NGHIFIKEPUNYE**

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**AMENDMENT AGREEMENT**  
amending the  
**MEMORANDUM OF UNDERSTANDING**

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23 - SM  
June , 2023

23-SM

This Amendment Agreement is dated as of the <sup>23-SM</sup> day of June, 2023.

**WHEREAS**

- (A) On or about May 19, 2023, Continental Lithium Africa Development Corporation ("**CLADC**"), Alfeus Tomas ("**Alfeus**") and Paulus Nghifikepunye ("**Paulus**") entered into the Memorandum of Understanding.
- (B) On June 2, 2023, NewFuel Technologies Corp. changed its name to Continental Lithium Africa Development Corporation.
- (C) Each of CLADC, Alfeus and Paulus (each, a "**Party**" and together, the "**Parties**") wish to amend the terms of the Memorandum of Understanding as set out in this Agreement.

**THIS AGREEMENT WITNESSES** that, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Terms defined in the Memorandum of Understanding shall, unless otherwise defined in this Agreement or a contrary intention appears, bear the same meaning when used in this Agreement and the following terms shall have the following meanings:

"**Agreement**" means this Amendment Agreement;

"**Memorandum of Understanding**" means the memorandum of understanding entered into among the Parties on or about May 19, 2023; and

"**Signature Date**" means the date of this Agreement.

**1.2 Interpretation**

The provisions of Article 1 (Definitions and Interpretation) of the Memorandum of Understanding shall also apply to this Agreement and references to Articles, Sections, Paragraphs and Schedules are to articles, sections, paragraphs and schedules of the Memorandum of Understanding unless otherwise specified.

**2. AMENDMENTS**

With effect from the Signature Date:

- 2.1 Section 2.2 of the Memorandum of Understanding is deleted in its entirety and replaced with the following new Section 2.2:

*"The provisions of this Memorandum shall constitute legally binding obligations of the Parties, provided that it is the intention of the Parties that the terms and conditions of the Memorandum are intended to be replaced in their entirety by the terms and conditions of the Definitive Agreements."*

- 2.2 Section 2.3 of the Memorandum of Understanding is deleted in its entirety and replaced with the following new Section 2.3:

*"This Memorandum shall continue until the earlier of the date on which the Definitive Agreements are entered into and the date on which this Memorandum is terminated by NewFuel in accordance with its terms."*

- 2.3 Section 6.11 (No Cession or Assignment) of the Memorandum of Understanding is deleted in its entirety and replaced with the following new Section 6.11:

*"NewFuel may assign and transfer all of its rights and obligations contained in this Memorandum to any third-party, provided that such third-party has agreed to be*

*bound by the terms of the Memorandum as though they were a party to it, and written notice of the assignment is provided to Alfeus and Buxa immediately upon completion."*

3. **CONTINUATION**

Except as varied by the terms of this Agreement, the Memorandum of Understanding will remain in full force and effect. Any reference in the Memorandum of Understanding to the "Memorandum" (as defined in the Memorandum of Understanding) or to any provision of the Memorandum of Understanding will be construed as a reference to the Memorandum of Understanding, or that provision, as amended by this Agreement.

4. **INCORPORATION OF TERMS**

The provisions of Article 6 (General) of the Memorandum of Understanding shall apply to this Agreement as though those provisions were set out in this Agreement, but as if references in those clauses to the Memorandum of Understanding were references to this Agreement.

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**



IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first above written.

For and on behalf of

**CONTINENTAL LITHIUM AFRICA  
DEVELOPMENT CORPORATION**  
(formerly, NewFuel Technologies Corp.)

"Steve Mynott"

\_\_\_\_\_  
Authorised Signing Authority

"Alfeus Tomas"

\_\_\_\_\_  
**ALFEUS TOMAS**

"Paulus Nghifikepunye"

\_\_\_\_\_  
**PAULUS NGHIFIKEPUNYE**