

REPUBLIC OF LIBERIA)
MONTERRADO COUNTY)

**RESTATED AND AMENDED
MINERAL DEVELOPMENT
AGREEMENT**

BETWEEN

THE REPUBLIC OF LIBERIA

AND

**BEA MOUNTAIN MINING
CORPORATION**

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THIS Mineral Development Agreement (the "AGREEMENT"), made and entered into this 7th day of September, 2013, by and between the Government of the Republic of Liberia, represented by the Minister of Lands, Mines and Energy, Hon. Patrick Sendolo; Minister of Finance, Hon. Amara M. Konneh; and Chairman of the National Investment Commission, Hon. O. Natty B. Davis II, and attested to by the Minister of Justice and Attorney General, Hon. Christiana P. Tah (herein referred to as the "GOVERNMENT"); and Bea Mountain Mining Corporation, a corporation organized and existing under the laws of the Republic of Liberia, (herein referred to as the "COMPANY"), represented by and through Chairman of the Board, Mr. David Reading; and its General Manager, Debar W. Allen, together the "Parties."

WITNESSETH:

WHEREAS, title to Minerals within the territory of the Republic of Liberia is vested in the Republic of Liberia (the "Republic" or "Liberia") and all rights related to the exploration for and exploitation of such minerals pertain exclusively to the Republic; And

WHEREAS, the Ministry of Lands, Mines & Energy is by Law charged with the responsibility of administering the mineral laws of the Republic and in that process to ensure the efficient development of the mining industry; And

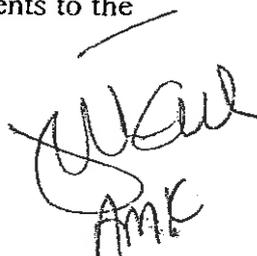
WHEREAS, the Government is determined to accelerate the development of the mining industry of Liberia, and therefore desires to promote the exploration for and development and production of minerals in the Republic for the economic and social benefit of Liberia and recognizes that a large capital expenditure is necessary to ensure that such minerals are economically and efficiently developed; And

WHEREAS, on November 28, 2001, the Government entered into a Mineral Development Agreement (the "Original Agreement") with the Company, pursuant to which the Company was granted the right, power and authority to engage in exploration for and development and production of minerals of the Bea Mountain in Grand Cape Mount County; And

WHEREAS, the Original Agreement was not submitted to the National Legislature for ratification; And

WHEREAS, the Company has requested the Government to amend the Original Agreement so as to provide for a stabilization period, harmonization of the fiscal provisions consistent with the Revenue Code, and certain tax incentives; And

WHEREAS, the Government is also proposing changes to some provisions of the MDA including the following: Section 3 on the Terms of the Agreement; Section 4 on Exploration License Area; Section 10 on Land and Facilities; Section 12 on Health Care and Education; Section 13 on Employment, Secondment and Training; Section 15 on Community Resources; Section 16 on Environmental Protection and Management; Section 24 on Other Payments to the


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Government; Section 27 on Assignment and Encumbrance; Section 30 on Arbitration; and Section 32 on Force Majeure; And

WHEREAS, the amendments proposed by the Parties are consistent with Section 35 of the Original Agreement, which provides that the agreement shall be subject to periodic review once every five years in light of any substantial changes in the circumstances which may have occurred during the previous five years; And

WHEREAS, no review of the Original Agreement has taken place since it was made and entered into on November 28, 2001, thus making the review contemplated a requirement in light of Section 35 of the Original Agreement and the interest of the Parties; And

WHEREAS, The Parties have determined that since the Original Agreement was never ratified, it would be prudent to restate and amend the said MDA so that the terms of the entire agreement and not only the amendments, would be ratified by the national Legislature; And

WHEREAS, following a series of negotiations and consultations, the Parties have agreed to restate and amend the said Original Agreement to accommodate their respective proposals and requests in light of substantial changes in the circumstances which have occurred over the past 12 years; And

WHEREAS, the Original Agreement provides under Section 34.2 that any modification or amendment of any of the terms of the Original Agreement shall be by mutual written agreement of the Parties thereto.

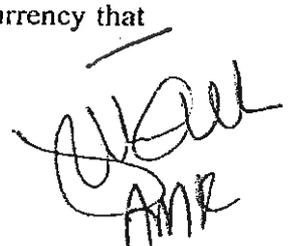
NOW, THEREFORE, and in consideration of their mutual obligations, promises, and covenants, the Parties have mutually agreed to restate and amend the Original Agreement as follows:

SECTION 1: DEFINITIONS

- 1.1 "Affiliate" means a Person that controls, is controlled by or is under common control with the Company. For purposes of this section, control means the possession, directly or indirectly, by one Person of more than fifty percent (50%) of the equity of or voting power in another Person.
- 1.2 "Agreement" means this restated and amended agreement granting a mining right to the Company and any amendments to it made pursuant to its terms as well as all exhibits and appendices to it.
- 1.3 "Associates" means the Affiliates, shareholders, financiers and sub-contractors (including suppliers of goods and services) of the Company and the directors, officers, agents and employees of the Company and of any of the foregoing.
- 1.4 "Class A Mining License" has the meaning given in Section 6.1.
- 1.5 "Company" means Bea Mountain Mining Corp and any other Person to which,

pursuant to Section 27, it may assign all or any part of its interest under this Agreement.

- 1.6 "Contract Area" means the Exploration Area and all Production areas.
- 1.7 "Contract Year" means a period of twelve (12) consecutive months according to the Gregorian calendar starting on the Effective Date or on any anniversary of the Effective Date.
- 1.8 "Dependent" means a person registered as such with the Company and who is the spouse or a child aged eighteen (18) years or younger of an employee of the Company or a person determined to be a dependent by virtue of a legally binding agreement of the Company such as a collective bargaining agreement, provided however, that in the event any such spouse or minor child become an employee of the Company, such person shall be treated as an employee rather than a dependent during such period of employment.
- 1.9 "Development" means all preparation for the removal and recovery of Minerals, including the construction or installation of a mill or any other improvements to be used for the mining, handling, milling, beneficiation or other processing of Minerals.
- 1.10 "Development Plan" has the meaning given to it in Section 6.4(b)(2)(iv).
- 1.11 "Dollar" and/or "US\$" means the lawful currency of the United States of America.
- 1.12 "Effective Date" means, in respect of this Agreement, the date of the last to occur of the following events: (1) attestation of the Agreement by the Minister of Justice of the Republic of Liberia; (ii) Ratification of the Agreement by the National Legislature; (iii) approval into law by the President of the Republic of Liberia; and (iv) printing of the law into hand bills.
- 1.13 "Exploration" means activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Minerals.
- 1.14 "Exploration Area" means the area mentioned in and subject to Section 4.2.
- 1.15 "Exploration License" has the meaning given in Section 4.1.
- 1.16 "Extended Term" has the meaning given in Section 3.2.
- 1.17 "Feasibility Report" has the meaning given in Section 6.4.
- 1.18 "Financial Year" means January 1 through December 31, or such other period as the Parties may agree.
- 1.19 "Foreign Currency" means Dollars and any other currency except currency that



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is legal tender in Liberia.

1.20 "Gold" means a dense, inert, bright yellow element (atomic number 79) that is a highly malleable and ductile metal, occurring in rocks and alluvial deposits; and any other minerals mined and/or recovered as a result of the extraction and processing of the gold.

1.21 "Government" means the Republic of Liberia, its government, and all political subdivisions, branches, divisions, instrumentalities, authorities and agencies thereof.

1.22 "Infrastructure" means the following:

- a. Immovable transportation and communication facilities (including roads, bridges, railroads, airports, landing strips and landing pads for aircraft, hangers and other airport facilities, garages, channels, tramways, pipelines and radio, telephone, telegraph, telecommunications, and electronic or other forms of communications facilities);
- b. Immovable port facilities (including docks, harbors, piers, jetties, breakwaters, terminal facilities and warehouses, and loading and unloading facilities);
- c. Immovable power, water and sewerage facilities (including electrical generating plants and transmission lines, dams, water drains, water supply systems and systems for disposing of tailings, plant waste and sewage);
- d. Immovable public welfare facilities (including schools, hospitals and public halls);
- e. Miscellaneous immovable facilities used primarily in connection with the operation of any of the foregoing (including offices, machine shops, foundries, repair shops and warehouses);
- f. Other immovable facilities used primarily in connection with or as an incident to Operations; and
- g. Movable facilities and equipment used as an integral part of the immovable facilities described in paragraphs (a) through (f) above.

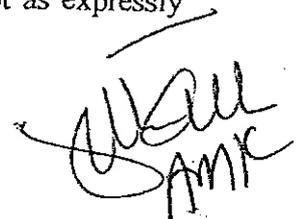
For purposes of this Agreement, immovable items include all tangible items that are securely affixed and attached to the land or to buildings or other structures on the land. All other items shall be movable items.



- 1.23 "IFRS" means generally accepted accounting principles as reflected in International Financial Reporting Standards as published from time to time by the International Accounting Standards Board.
- 1.24 "International Standards" means generally accepted world mining industry standards and procedures, due allowance being made for any special circumstances.
- 1.25 "Law" means any constitution, law, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclamation, directive, executive order or sovereign act of the Government other than this Agreement.
- 1.26 "Mine" means any mining and/or extraction facility within the Contract Area.
- 1.27 "Mineral" means a naturally occurring, non-living substance having a definite chemical composition and physical characteristics and having economic value, but excluding oil, gas, coal and geothermal resources. For the avoidance of doubt and for the purposes of this Agreement, the term shall refer exclusively to Gold.
- 1.28 "Mining Law" means the Minerals and Mining Law 2000 Part I of Title 23 of the Liberian Code of Law Revised, as from time to time amended, supplemented or modified.
- 1.29 "Mining License" means any license granted in accordance with Section 6.
- 1.30 "Mining Plant" means any production plant or facility located within the Contract Area.
- 1.31 "Minister" means the Minister of Lands, Mines & Energy of the Republic and his or her successors.
- 1.32 "Ministry" means the Ministry of Lands, Mines and Energy of Liberia and any other ministry, department or agency of Liberia that succeeds to its responsibilities of supervising the undertaking of Mineral exploration and mining activities in Liberia.
- 1.33 "Notice" means notice given pursuant to Section 30.
- 1.34 "Operations" means all activities and transactions conducted by or on behalf of the Company with respect to, under or incidental to this Agreement including Exploration, Development and Production, restoration and remediation, and the financing of any of the foregoing.
- 1.35 "Original Agreement" means the Mineral Development Agreement entered into on November 28, 2001 between the Republic of Liberia, represented by and through the Minister of Finance; the Minister of Lands, Mines and Energy; the Chairman of the National Investment Commission; and attested to by the

Minister of Justice and Attorney General and approved by the President of the Republic of Liberia, and Bea Mountain Mining Corporation represented by its Co-Chairman.

- ~~1.36 "Original Term" has the meaning given to it in Section 3.1.~~
- 1.37 "Party" means either the Government or the Company and, in the plural forms, both the Government and the Company (and any permitted assignee of the Company).
- 1.38 "Person" means any individual, partnership, limited liability company, joint venture, association, corporation, trust, estate, unincorporated or other entity, government or state and any branch, division, political subdivision, instrumentality, authority or agency of any government or state.
- 1.39 "Pre-Feasibility Report" means the report described in Section 6.4(a)(1).
- 1.40 "Prevailing Market Rate of Exchange" means the predominant rate, expressed in Dollars, at which willing sellers and willing buyers, acting at arm's length and in the ordinary course of business, purchase or sell, or agree to purchase or sell, currency of another nation.
- 1.41 "Probable Mineral Reserve" has the meaning given in and is to be determined as prescribed in the Selected CRIRSCO Code.
- 1.42 "Production" means the commercial exploitation of Minerals found in the Contract Area and all other activities incidental thereto including the design, construction, installation, fabrication, operation, maintenance and repair of Infrastructure, facilities and equipment and the mining, excavation, extraction, recovery, handling, beneficiation, processing, milling, stockpiling, transportation, export and sale of Minerals.
- 1.43 "Production Area" means an area selected as such by the Company pursuant to Section 6.2.
- 1.44 "Proven Mineral Reserve" has the meaning given in and is to be determined as prescribed in the Selected CRIRSCO Code.
- 1.45 "Qualified Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.
- 1.46 "Revenue Code" means the Revenue Code of Liberia of 2000 and the Consolidated Tax Amendment Act 2010 and the regulations made thereunder, all as from time to time modified, amended or supplemented, except as expressly

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provided herein.

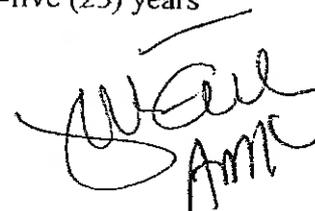
- 1.47 "Selected CRIRSCO Code" means a Committee for Mineral Reserves International Reporting Standards (CRIRSCO) recognized mineral evaluation code such as JORC or SAMREC agreed upon by the Parties, as from time to time in effect. Initially, the Selected CRIRSCO Code is NI 43-101, as from time to time in effect. If the Selected CRIRSCO Code is no longer in effect or no longer defines a term defined herein by reference to it, the Parties will agree on a CRIRSCO-compliant replacement code or if none exist a functionally and substantively similar replacement code.
- 1.48. "Taxes and Duties" means any and all direct and indirect income, profit, gains, capital gains, corporation, net worth, sales, transaction, payroll, import, export, customs, consul, inspection, value added, consumption, supply, use, turnover, severance, stumpage, cash flow, rental, land rental, surface rental, property, stamp and other taxes, duties, fees, levies, excises, rates, charges, imposts, surcharges, royalties and other Government imposed revenue payments of whatever nature and however called and whether similar or dissimilar to the foregoing.
- 1.49 Included Words. This Agreement shall be read with such changes in gender or number as the context shall require.
- 1.50 Headings. The headings to the clauses and sections of this Agreement are inserted for convenience only and shall not affect the construction hereof.
- 1.51 References. Unless otherwise stated, a reference herein to a numbered or lettered section or appendix refers to the section or appendix bearing that number or letter in this Agreement. A reference to "this Agreement," "hereof," "hereunder," "herein," or words of similar meaning, means this Agreement, including the appendices hereto, together with any amendments thereof. The words "and" and "or" will include the conjunctive and disjunctive, as the context may require or permit. The word "include" (and any variation) is used in an illustrative sense rather than in a limiting sense.
- 1.52 Severability. If any provision of this Agreement is or shall become illegal, invalid or unenforceable, in whole or in part, the remaining provisions shall nevertheless be and remain valid and subsisting and the said remaining provisions shall be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

SECTION 2: EFFECTIVE DATE

This Agreement shall become binding on the Parties on the Effective Date as stipulated in Section 1.11 of this Agreement.

SECTION 3: TERM OF THE AGREEMENT

- 3.1 Original Term. The original term of this Agreement was twenty-five (25) years



effective November 28, 2001 (the "Original Term"). Therefore, the Restated and Amended Agreement shall commence on the Effective Date, and, subject to Section 3.2 below, shall terminate on the thirteenth (13th) anniversary of the Effective Date, unless sooner terminated in accordance with the other provisions of this Agreement.

3.2 Extended Term.

- a. Notwithstanding the provisions of Section 3.1 above, the Company shall have the right to extend the term of this Agreement for an additional term not exceeding twenty-five (25) years (the "Extended Term") based upon the commercial value of the remaining deposit and upon providing the Government with Notice, at least one year prior to the termination of the Original Term and upon terms and conditions to be mutually agreed upon. Within ninety (90) days after such Notice, the Company shall provide the Government with a Feasibility Report which shall set forth the type and quantity of Minerals that are estimated to exist in the Contract Area or any part thereof, and describe in reasonable detail a proposed plan for the efficient and economic Production of such Minerals (in accordance with International Standards and the provisions of this Agreement), including a detailed description of the proposed mining and processing methods, the design, cost and construction schedules for the proposed facilities and equipment, the financing arrangements contemplated, and the Company's best estimate in good faith of the date upon which Production of such Minerals will cease (the "Extended Date"), but not later than 25 years after the end of the Original Term.

- b. Approval for the Extended Term through the Extended Date will be granted upon terms and conditions to be mutually agreed upon and compliance of the Feasibility Report with International Standards and the provisions of this Agreement. The Government shall, in the event of any delay in or denial of approval of a Feasibility Report, promptly give to the Company full details, in writing of its reasons for withholding or delaying approval. If the Parties cannot agree on the Feasibility Report, then an independent consultant, appointed by and agreeable to both Parties, will determine the appropriate course of action. Should the Parties be unable to agree the choice of independent consultant then the Parties agree to accept the recommendation of the Chairman of the Canadian Institute of Mining, Metallurgy and Petroleum for a suitable independent consultant.

SECTION 4: EXPLORATION LICENSE AND AREA

4.1 Exploration License.

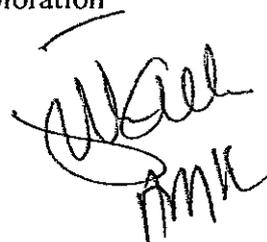
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- a. By this Agreement and subject to its terms, the Government hereby grants to the Company the exclusive right and license (the "Exploration License") to conduct exploration for Mineral on all public and (subject to Section 10.2) private lands in the Contract Area and to conduct pilot mining operations pursuant to Section 4.9, provided that the Bea Mountains iron ore deposits do not form part of this Agreement.
- b. On the Effective Date, the initial and extended term of the Exploration License as stipulated in the Original Agreement, shall be deemed to have expired.
- c. The Exploration License shall automatically terminate on the expiration of its term and the Exploration Area shall thereupon be surrendered, unless renewed in accordance with Section 5.3g of the Mining Law.

4.2 **Exploration Area.** The original Exploration Area is as shown on the map attached as Appendix "A", the coordinates of which are specified in Appendix "B".

4.3 **Surrender of Exploration Area.** Unless the Minister and the Company otherwise agree and subject to the Company receiving full credit towards the surrender requirement for all areas declared to be Production Areas pursuant to Section 4.6 below:

- a. that at, or before the end of the initial term of the Exploration License, the Company may select the entire Exploration Area or any portion thereof as a proposed Production Area;
- b. that in the event the Company decides to apply for an extension of the Exploration License, the Company shall be obliged to surrender a minimum of fifty percent (50%) of the original Exploration Area at the end of the initial term of the Exploration License.
- c. That at or before the end of the extension period, the Company shall declare the entire remaining area or any portion thereof as a proposed Production Area. In the event the Company declares only a portion of the Exploration Area as Production Areas, the remaining portion of the Exploration Area must be surrendered to Government and the Exploration License shall then cease to exist.
- d. If the Company wishes to carry out additional Exploration within a proposed Production Area it may do so for the Mineral covered by this Agreement provided that the work is carried out in accordance with the Exploration

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Regulations. No budget or annual expenditure requirements apply to such work, but all other provisions of the Exploration Regulations as to the manner of carrying out such work and as to reporting the results of such work remain applicable. Exploration may continue within a proposed Production Area for the duration of this Agreement in accordance with the Exploration Regulations and subject to all applicable fees.

e. If during Exploration, the Company discovers a mineral other than Gold, the Company must immediately report such discovery to the Ministry. The Ministry may allow the Company to sell such mineral or upon application, the Company shall have the right to obtain an Exploration License for the mineral. Prior to the sale of any mineral, the Company and the Ministry shall reach an agreement defining the terms and conditions upon which Company will be allowed to sell or otherwise dispose of such mineral. The failure of Company to disclose the discovery of any mineral to the Ministry in accordance with this Section 4.3, regardless of its commercial value, shall constitute an event of default and the Government may invoke the provisions of Section 28.2.

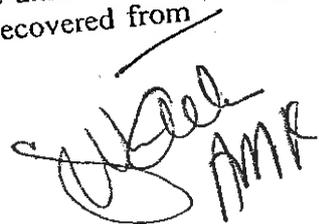
4.4 **Retention of Exploration Area.** The Company may retain all or any part of the Exploration Area by declaring the area it wishes to retain as a Production Area, whether or not Minerals which the Company wishes to produce have been found in that area. The Company shall make such declaration by written Notice to the Government not more than sixty (60) days (or such additional days as the Government may allow) after the expiration of the initial or any extended term of the Exploration License.

4.5 **Surrender Right.** The Company shall have the right, upon giving the Government sixty (60) days prior written Notice (or such lesser period of time as the Government allows), at any time to surrender all or any part of the Exploration Area and all such voluntary surrenders shall be credited towards the mandatory surrenders specified in Section 4.3 above.

4.6 **Credit for Production Areas.** All Production Areas declared pursuant to Sections 4.4 and 6.2 shall be fully credited towards and therefore reduce the size of the mandatory surrenders specified in Section 4.3 above.

4.7 **Minimum Size.** Unless the Minister and the Company otherwise agree, or until such time as the remaining Exploration Area is ten percent or less of the original Exploration Area, each separate part of the Exploration Area surrendered shall be not less than ten percent (10%) of the original Exploration Area as provided in Section 4.3(b) and (c) herein.

4.8 **Right to Purchase Samples.** In connection with Exploration, the Company may, with the consent of the Minister (which consent will not be unreasonably withheld), purchase, in sample quantities for analysis, Minerals recovered from

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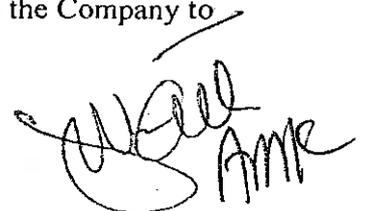
the Contract Area by other Persons and shall have the right to sell such Minerals when no longer required for analysis. Upon any such sale by the Company, the Company shall pay royalty on the value of such samples sold as provided in Section 21, less any royalty or like payment paid or payable to the Government by the vendor in connection with the sale of the samples to the Company.

4.9 **Pilot Mining Operations.** While the Exploration License remains in effect, the Company shall have the further right to conduct pilot mining operations in the Exploration Area. The provisions of Sections 21, 22, 23, and 24 shall apply, as appropriate, to the pilot mining operations and any income derived therefrom.

4.10 **Right to Additional Areas.**

- a. The Company shall have the right to add to the Contract Area as additional Exploration Areas (the "Additional Areas") unencumbered public land requested by the Company that have a proven geological relationship to adjoining Production Areas or into which extend geological trends from the Contract Area or from the geographic boundaries of any Mineral body discovered in the Contract Area. This additional area shall not exceed twenty percent (20%) of the original Exploration Area granted.
- b. On and from the date of such election or request by the Company pursuant to Section 4.10(a) above, the Additional Areas shall become part of the Contract Area, and the obligations of the Company under Section 22 shall be increased *pro rata temporis*. Furthermore, the obligation of the Company under Section 5.2 shall also be increased *pro rata temporis* beginning in the Contract Year of such election, provided that the Company shall not be required to fulfill such increased obligation until the following Contract Year, and provided further that the Company shall be deemed to have fulfilled its obligation under Section 5.2 in any Contract Year in which it has expended at least an aggregate amount equivalent to US\$1.40 per acre on any Exploration Pursuant to Section 5.2.
- c. With respect to each separate area within the Additional Areas which may be added to the Contract Area pursuant to this Section 4.10, the initial term of the Exploration License granted for such area shall commence on the date that such area becomes a part of the Contract Area and shall in all other respects be governed by the terms of this Section 4.

4.11 **Dealership License.** By this Agreement, and subject to the payment of such fees as may be required by Law, the Company is hereby granted the right but not the obligation to acquire a dealership license to purchase Minerals within the Contract Area, the Additional Areas and other areas adjacent to those areas directly from third party miners for export, sale or other lawful purposes. The dealership license hereby granted the Company shall also entitle the Company to



purchase Minerals outside the Contract Area, the Additional Areas and areas adjacent to those areas pursuant to Law.

SECTION 5- EXPLORATION WORK PROGRAMS.

5.1 **Commencement.** As of the Effective Date, the Exploration obligations stipulated in the Original Agreement are deemed to have been fulfilled. The Company may continue to conduct Exploration pursuant to a proposed Exploration Program and in compliance with the Exploration Regulations. The Company shall revise the proposed Exploration Program not later than sixty (60) days after the end of each Contract Year to the extent necessary to take into account changes in the proposed Exploration Program that the Company deems appropriate in light of the prior year's Exploration activity and results.

5.2 **Minimum Expenditure.**

Beginning on the Effective Date, all Exploration minimum expenditure requirements shall be deemed to have been met. If the Company adds any Additional Area to the Contract Area pursuant to Section 4.10 above, the Company shall incur in connection with Exploration in that Additional Area, costs and expenses of at least One Dollar and Forty United States Cents (\$1.40) per acre of Additional Area.

5.3 **Operation Reports, Records and Inspection**

The Company shall maintain at its principal office in Liberia, or at such other offices as the Government may approve:

a. Copies of all maps, geological, mining or other earth science reports and mineral analysis (together with all field data which support such reports or data), production records, marketing reports and other data obtained or compiled by the Company as a result of exploration and/or mining Operations and activities. All information, data and material specified in this paragraph shall be in a form suitable for reproduction, use or processing as the case may be. The Company shall have the right to temporarily remove such samples and other data from such location and (on prior notice to the Government) from Liberia for the purpose of study and evaluation.

b. The Company shall keep the Government fully informed of all Operations and activities, wherever conducted, and of its plans in respect thereof. The Government shall have the right to monitor Exploration and Mining Operations and activities from time to time and a reasonable number of Government personnel may, upon prior Notice to the Company, at reasonable time and subject to compliance with the Company's security requirements, attend and inspect Exploration and Mining Operations and activities conducted in Liberia.

- c. Within thirty (30) days after the end of each calendar quarter, the Company shall provide the Government with a report on all Exploration and Mining Operations and activities for that calendar quarter, including financial reports and minerals recovered and sold. Within ninety (90) days after the end of each Financial Year, the Company shall furnish the Government with a report on all Exploration and Mining Operations and activities for that Financial Year, including financial reports and minerals recovered and sold.

SECTION 6: CLASS A MINING LICENSE AND AREA

6.1 **Class A Mining License.** Upon receipt of Notice from the Company, during or at the end of the Exploration period, of a discovery of exploitable deposits, the Minister shall grant a Class A Mining License for the proposed Production Area applied for subject to the following terms and conditions:

- a. that the Company shall have successfully completed a proposed exploration program and submitted to the Minister a detailed map and descriptive statements on the boundaries and size for the deposits from which minerals are to be extracted pursuant to Section 6.2(b) below.
- b. that the Company shall have completed a Pre-Feasibility Report pursuant to Section 6.4 below.
- c. that the Minister shall have approved the Feasibility Report, and
- d. that the Minister shall have been satisfied that the Company possesses the appropriate technical skill and experience and the financial resources to carry out mining Operations in keeping with the requirements of a Class A Mining License.
- e. The Parties acknowledge that the Company has been granted a Class A Mining License dated 29th July 2009.

6.2 Production Areas.

- a. Each Production Area shall consist of such part of the Contract Area as, in the light of International Standards, and subject to Section 4.4, is reasonable, taking into account the extent and nature of the Minerals found and the requirements for efficient and economic Production of such Minerals and the conduct of other Operations.

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- b. Subject to Sections 4.4 and 6.4, the Company, in order to select a Production Area, shall submit to the Government a detailed map and descriptive statement based on actual surveys which shall set forth the boundaries of the Production Area which shall be identified by meters and bounds; and the boundaries and size of the Mineral deposit or deposits which the Company intends to produce. The maps shall be of such scale and contain such detail, including geographical and topographical information, as may reasonably be necessary to identify accurately the Production Area and the boundaries of the Mineral deposits.
- c. Upon selection as such, a Production Area shall cease to form part of the Exploration Area.
- d. If During Production, the Company discovers a mineral other than Gold, the Company must immediately report such discovery to the Ministry of Lands, Mines and Energy. The Ministry of Lands, Mines and Energy may allow the Company to sell minerals or upon application, the Company shall have the right to obtain an Exploration License for the mineral. Prior to the sale or disposal of any minerals, the Company and the Ministry of Lands, Mines and Energy shall reach an agreement defining the terms and conditions upon which Company will be allowed to sell or otherwise disposal of such minerals. The failure of Company to disclose all a discovery of minerals shall constitute an event of default and the Government may invoke the provisions of Section 28.2.

6.3 **Government Mineral Appraisal Office.** In the Production Area, a Government Mineral Appraisal Office shall be established to facilitate the valuation of Mineral commodities produced and/or intended for export.

6.4 **Pre-Feasibility Report and Feasibility Report**

a. **Pre-Feasibility Report**

- (1) Within ninety (90) days after the submission of the map and descriptive statement mentioned in Section 6.2(b) above and before commencing Production in connection with a Production Area, the Company shall submit a Pre-Feasibility Report to the Government. The Pre-Feasibility Report shall describe, in reasonable detail, a proposed plan for the efficient and economic Production (in accordance with International Standards and the provisions of this Agreement) of the Mineral deposits found, including a detailed description of the proposed mining and processing methods, the design, costs and construction schedules for the proposed facilities and equipment and the marketing arrangements contemplated. The Government shall not withhold or unreasonably delay its approval of

the Pre-Feasibility Report and shall grant its approval if the Pre-Feasibility Report, or any amendment made to it by the Company, reasonably complies with International Standards and the provisions of this Agreement.

(2) The Government shall, in the event of any delay in/or denial of approval of a Pre-Feasibility Report, promptly give to the Company full details, in writing, of its reasons for withholding or delaying approval. If the Parties cannot agree on the Pre-Feasibility Report, then an independent consultant, appointed by and agreeable to both Parties, will determine the appropriate course of action. Should the Parties be unable to agree the choice of independent consultant then the Parties agree to accept the recommendation of the Chairman of the Canadian Institute of Mining, Metallurgy and Petroleum for a suitable independent consultant.

b. Feasibility Report

(1) Within thirty (30) months after the submission of the Pre-Feasibility Report mentioned in Section 6.4(a) above (or such longer period as the Minister may allow, not to exceed six (6) months), and before commencing Production in connection with a Production Area, the Company shall submit a Feasibility Report to the Government.

(2) The Feasibility Report for a Production Area shall comply with applicable Law and International Standards, shall include the basic technical and financial components described in this Section 6.4(b) and shall also include the additional components set forth in Sections 6.4(c) through 6.4 (e):

- (i) a description of the Mineral to be mined, the mining and processing methods proposed to be used, and the quality of the Mineral Product(s) to be marketed;
- (ii) a statement of the expected recovery rate for the Mineral to be mined over the term of the Mining License and for the output of the expected mineral product(s);
- (iii) a report of a Qualified Person setting forth his or her conclusion as to the amount of Gold constituting the Proven Mineral Reserves and Probable Mineral Reserves in the Production Area, and the basis for such conclusion, in the form required by the Selected CRIRSCO-compliant code for the public reporting of mineral resources;

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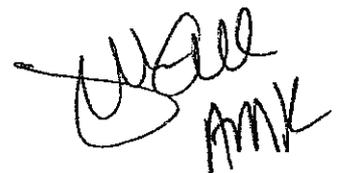
- (iv) a development plan setting forth the basic design and operating specifications for each proposed Mine and related Mining Plant, Infrastructure and equipment (the "Development Plan"), which shall, among other things,
- 1) implement the requirements of Section 6;
 - 2) include maps at the scale required by the Ministry setting forth the proposed location of each proposed Mine and related Mining Plant and Infrastructure, and any other activities or improvements described in Section 6.7(e) or 11.6 of the Mining Law and, in the case of each activity referred to in Section 6.7(e) or Section 11.6(c), (e) or (f) of the Mining Law, setting forth the capacity expected to be available for public utilization, provided that activities described in Section 11.6(a) or 11.6(b) of the Mining Law must be limited to those reasonably necessary for the implementation of the Development Plan;
 - 3) include a capital development plan (in reasonable detail); and
 - 4) include a proposed construction (or acquisition), completion and commencement of Operations schedule for each proposed Mine and all related Mining Plant, Infrastructure and equipment proposed in the Development Plan
- (3) a plan for Operations (an "Operations Plan") that sets forth the Company's plan for operating each proposed Mine and related Mining Plant, Infrastructure and equipment, including a manpower development plan setting forth expected human resource and staffing requirements;
- (4) The Operations Plan must also set forth the Company's plan:
- (i) to produce marketable Mineral of the quality specified in the approved Feasibility Report, in an amount equal to at least 85% of Mine design capacity from each proposed Mine as specified in the Feasibility Report over a 30-day period; and
 - (ii) to move an amount of Mineral equal to 30 days' production at 85% of Mine design capacity from all proposed Mines to the point of sale within a 30 day period.

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- (5) The Feasibility Report shall include copies of the approved Environmental and Social Impact Assessment ("ESIA") and Environmental and Social Management Plan ("ESMP") and copies of the Environmental Impact Assessment Permit granted by the EPA.
- (6) The Feasibility Report shall include an opinion of the Feasibility Consultant substantially to the effect that:
- (7) the Company has the design, procurement and construction management capacity necessary to implement the proposed Development Plan, or has identified contractors with which it will contract for the design, procurement and production of each proposed Mine and related Mining Plant, Infrastructure and equipment that have the capacity to carry out such activities;
- (i) the Company has the management capacity to operate each proposed Mine and related Mining Plant, Infrastructure and equipment in accordance with the proposed Operations Plan;
 - (ii) each proposed Mine and related Mining Plant, as designed, will if constructed in accordance with the designs and maintained in accordance with good maintenance practices, support the planned operating levels of such Mine for the period of time planned to mine Mineral;
 - (iii) the geotechnical survey work done in connection with locating all proposed Mining Plant and Infrastructure is sufficient to support the conclusion that the sites of such proposed Mining Plant and Infrastructure are suitable for the construction and operation of those facilities;
 - (iv) the ESIA done in connection with the proposed siting of, and the subsequent Operations of, each proposed Mine and related Mining Plant, Infrastructure and equipment was conducted in a matter consistent with the World Bank/IFC "Environmental Health and Safety Standards for Mining", applicable Law, and otherwise complies with the requirements of Section 16;
 - (v) the design of each proposed Mine and related Mining Plant, Infrastructure and equipment is in

accordance with contemporary best practice for the design of mines and related facilities of similar size and type and is appropriate for the climate and geography of Liberia(x) to accommodate in an environmentally sound manner in accordance with International Standards and applicable Law all Mining Plant and Infrastructure expected to be necessary for the Mining and all proposed processing of Minerals in accordance with the proposed Development Plan, (y) reasonably to insulate surrounding areas in accordance with International Standards from possible adverse impacts of Operations, and (z) to provide for all activities proposed to be undertaken as part of its ongoing Environmental Management Plan;

- (vi) the completion verification procedures and the capacity demonstration procedures set forth in the proposed Development Plan are sufficient reasonably to demonstrate that each proposed Mine and all related Mining Plant and Infrastructure have been completed in accordance with the proposed Development Plan and can reasonably be expected to have the operating capacity specified in the proposed Development Plan;
- (vii) the EMP, if implemented as proposed, will limit the likely amount of environmental damage to limits established in the World Bank/IFC "Environmental Health and Safety Guidelines for Mining", the Company's mine closing plan meets the standards established by World Bank/IFC "Environmental Health and Safety Guidelines for Mining", the "UN International Guidelines on Mercury Management in Artisanal and Small-Scale Gold Mining" if artisanal or small-scale mining is to continue on the final Contract Area, and other International Standards and the estimated cost for such plan (valued in current Dollars) is reasonable, and such plan otherwise complies with the requirements of Section 16; and

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- c. The Minister shall be deemed to have approved the Feasibility Report, unless the Minister shall have notified the Company in writing of the disapproval of the Feasibility Report not later than sixty (60) days after the Ministry receives from the Company the Feasibility Report and all related and required materials complying with Section 6.4(b). For the avoidance of doubt, the sixty (60) days approval period shall commence from date the Feasibility Report and all supporting documentation is received by the Ministry.
- d. Following any disapproval by the Minister and the resubmission by the Company of an amended, modified or supplemented application for a Class A Mining License or Feasibility Report, the Minister shall be deemed to have approved the Feasibility Report unless within forty-five (45) days of such amendment, modification or supplement the Minister has notified the Company in writing of the disapproval Feasibility Report.
- e. If the Parties cannot agree on a Feasibility Report, then an independent consultant, appointed by and agreeable to both Parties, will determine the appropriate course of action. Should both Parties be unable to agree the choice of independent consultant, then the Parties agree to accept the recommendation of the Chairman of the Canadian Institute of Mining, Metallurgy and Petroleum for a suitable independent consultant.
- 6.5 **Term of the Class A Mining License.** Subject to Section 6.6 below, the Class A Mining License for a Production Area selected by the Company shall remain valid and effective for the unexpired portion of the term of this Agreement and any extensions thereof.
- 6.6 **Surrender of Production Area.** The Company shall have the right, upon giving the Minister sixty (60) days prior written Notice (or such lesser period of time as the Minister allows), at any time to surrender all or any part of a Production Area. Upon cessation of Production (as defined in section 28.2(f)) in connection with all of a Production Area, the Production Area shall be surrendered. Upon surrender of all or part of a Production Area, the Class A Mining License shall terminate in respect of the area surrendered.
- 6.7 **Reports to the Central Bank of Liberia.** The Company shall report all sales of Minerals made pursuant to Section 6.1 or otherwise under this Agreement, to the Central Bank of Liberia, or any successor institution, in such detail and manner as may be required by Law.
- 6.8 **Class B and C Mining Licenses.** The Government undertakes not to grant any Class B Mining Licenses in respect of the Exploration Area and furthermore warrants that any and all mining Operations taking place with the Exploration

Area under any Class C type licenses will not be allowed to interfere with or hinder the exploration and/or mining activities of the Company.

SECTION 7: CONFIDENTIALITY

7.1 **Confidential Information.** All information exchanged between the Parties in the context of this Agreement shall be considered and treated as confidential information, subject to Section 7.2 below. The Parties agree not to divulge such information to any other Person without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

7.2 **Public Information.** The obligation of confidentiality set forth in Section 7.1 above shall not apply either to information exchanged between the Parties which is in the public domain or to information exchanged by the Parties which the Company is required to reveal to any other Person by Law.

SECTION 8: PRODUCTION WORK PROGRAMS

Subject to Sections 5 and 6, the Company shall use commercially reasonable efforts to commence and continue construction, acquisition and installation of facilities and equipment, and otherwise to produce Minerals, substantially in accordance with the Feasibility Report unless such Production becomes uneconomic, in which event the provisions of Section 32 shall apply.

SECTION 9: CONDUCT OF CONSTRUCTION AND OPERATIONS

9.1 Conduct of Operations

The Company shall have the right to conduct Operations by itself or through agents and contractors using facilities, equipment, materials and methods, in a proper and workmanlike manner, with due diligence, efficiency and economy and in accordance with International Standards and the terms of this Agreement.

9.2 Construction and Mineral Production

- a. All Mining, processing or treatment of Minerals by the Company shall be conducted in accordance with International Standards and applicable Law.
- b. The Company shall commence Mineral Production from each defined and approved Production Area, consistent with the Feasibility Study, within three (3) years from the Effective Date. In the event that the Company cannot commence Mineral Production, consistent with the Feasibility Study, within three (3) years from the Effective Date, the Company shall apply to the Minister requesting an extension, and such request shall not be unreasonably withheld.

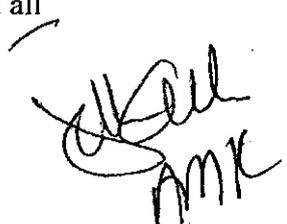
9.3 Mining Term Operations

- a. The Company undertakes to use all reasonable efforts as required by the applicable standards and Law to maintain the production of marketable

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Minerals of the quality and in the quantity contemplated by the Feasibility Report and the Annual Operating Plan, and on a yearly basis, shall submit a report to the Minister, reflecting on its performance against the Annual Operating Plan and giving reasons where targets were not met.

- b. The Annual Operating Plan will update the approved Feasibility Study pursuant to Section 6.4(b) of the Agreement.
- c. The Company may not undertake any activity referred to in Section 6.7 or Section 11.6 of the Mining Law except to the extent expressly covered in the Company's ESIA and approved in the context of the Company's ESMP and, then only within a Production Area or an area in which the Company is otherwise entitled by Law and by agreement with any relevant landowner to carry on such activities. The preceding sentence does not authorize the Company to take any action that would violate Section 10.1 of the Mining Law. The Company may not transfer to any Person timber removed from the land within the Production Area pursuant to Section 6.7(d)(4) or 11.6(a) of the Mining Law without the consent of the Forest Development Authority.
- d. The Company shall maintain all Mines, Mining Plant, Infrastructure and equipment constructed, renovated or acquired by it throughout the term of this Agreement in a safe and sound condition in accordance with International Standards and the requirements of insurers.
- e. The Company shall operate all Mines, Mining Plant, and Infrastructure and equipment in accordance with the Operations Plan set forth in the approved Annual Operating Plan. In the event that the Company makes material changes in the Operations Plan in the approved Annual Operating Plan, the Company shall promptly inform the Minister of such changes, giving appropriate justifications for said material changes and seek approval from the Minister for the appropriate amendments to such plans, which approval shall not be unreasonably withheld.
- f. In the event of any loss or damage to the property of the Company, the Company shall use all commercially reasonable efforts to promptly proceed to restore such property to the extent necessary to begin or resume Operations as contemplated by the Annual Operating Plan.
- g. The Company may contract the operation of all or any portion of its construction phase, completed Mine, Mining Plant or Infrastructure to any Person, who is not a Prohibited Person, organized under the Laws who has the technical expertise and financial ability to conduct such operation and who is not a shareholder of the Company or an Affiliate of a shareholder of the Company. If the Company contracts any operation in accordance with the foregoing sentence, the Company is responsible to the Government for the compliance by such third party or third party sub-contractor with all

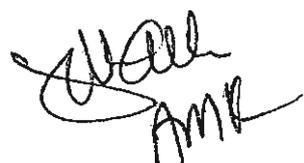
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requirements of this Agreement applicable to the operations undertaken by such contractor or sub-contractor as though such operations were undertaken by the Company. The percentage requirements of Section 13.1(a) shall apply to the operations of any such contractor(s). Material operating contracts must be disclosed in each annual operating report of the Company under Section 9.5(e).

9.4 Recovery Shortfalls

- a. Up to sixty (60) days following the submission of the annual operating report, if (i) there is a material difference in the recovery rate between such report and the Annual Operating Plan and (ii) in the opinion of the Government, the Company is unable without good cause (including, but not limited to, due to climate conditions, the price of gold, fuel availability, fuel distribution or any force majeure) to produce and transport Mineral Products at not less than 75% of the rate indicated in the approved Annual Operating Plan, it may engage the Company in discussions to determine if remedies can be taken to improve the situation to increase the recovery and production. The Company will, in good faith, make best efforts to improve the recovery shortfall, provided that the Company shall in no event be obliged to conduct Mining, processing or treatment activities otherwise than is economically and technically feasible at the time, pursuant to Section 9.3(a). The Company shall submit to the Government details of the steps being taken to improve the recovery and the Production.

- b. If the Government, after any necessary further discussions with the Company, remains unsatisfied with the Company's response to such notice, the Government may commission an independent technical study (the "Study") to determine a fair average recovery and/or shipment rate taking into account the nature of the reserves then being mined, the nature of the Mines, Mining Plant, Infrastructure and other equipment (assuming they are of the design and quality set forth in the Operating Plan and have been prudently maintained and operated), and the economic and technical feasibility of achieving increased recovery and/or shipment of Mineral Product(s) by the Company in accordance with the standards set forth in Section 9.3(a) taking into consideration all of the factors, including, but not limited to, due to climate conditions, the price of gold, fuel availability, fuel distribution and any force majeure. Such Study shall be carried out by an internationally recognized independent mining engineering consultant, who will be jointly appointed by the Government and the Company from a list of three such consultants, none of whom shall be affiliated with the Company or any of its principle direct or indirect shareholders, named by the Company on the request of the Government. Each


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of the Government and the Company may submit information to the consultant. The fees and expenses of such consultant shall be borne by the Company, but unless the consultant concludes the performance of the Company's Production is at least 5% less than the fair average recovery rate pursuant to Section 9.3(b), the Company shall be entitled to offset the fees and expenses of such consultant against the royalty payable to the Government in accordance with Section 22 of this Agreement.

- c. Following the completion of such Study, the Company shall implement the recommendations of said study, if it is economically and technically feasible at that time, within six (6) months in order to achieve the fair average recovery rate indicated by the Study.
- d. If either Party disputes the findings and recommendations of the Independent Technical Expert, the Parties will engage in reasonable dialogue as a way of resolving the matter. Thereafter, if the Parties cannot agree with the findings and recommendations of the Independent Technical Expert, either Party may resort to or take recourse to Arbitration pursuant to Section 30.

9.5 Company Reporting Requirements.

The Company shall comply with the reporting requirements stipulated in the Mining Law and Exploration Regulations and provide the following reports to the Government:

- a. prior to commencement of mineral Production for commercial sales, a quarterly report on the progress of construction of the Mining Plant and Infrastructure provided for in the approved Feasibility Report indicating progress and expenditures to date, and estimated date of commencement of mineral production for commercial sales;
- b. a quarterly statistical report (which shall be delivered for every quarter, including quarters ending on an annual reporting period) beginning with the quarter in which commencement of the Production Operating Period occurred, setting forth (i) the amounts of Minerals mined, the amounts of Minerals processed, the amounts of Mineral Product(s) shipped, the amounts of Mineral Product(s) exported, the amounts of Mineral Product(s) otherwise disposed of and the stocks of mined Minerals and Mineral Product(s) at the end of the period at the Mines and at other stockpile locations, (ii) the number and location of the workings on which Work was performed during the preceding quarter, (iii) the number of workmen employed thereon at the end of the quarter, (iv) a list of the major equipment working at the end of the quarter, and (v) a brief description of the work in progress at the end of the quarter and of the work contemplated during the following quarter;



- c. a quarterly operating report, beginning with the calendar quarter in which the commencement of the Production operating period occurred, concerning the progress of its operations in the Production Areas that are the subject of the Mining License issued pursuant to this Agreement, specifying in full those workings in which Mineral is considered to have been found, regardless of whether the deposits are deemed to be commercial or not (together with all data relative to the estimated volumes of the reserves, the kind or kinds of such Mineral encountered and the analyses thereof), the number and description of workings which have been placed in commercial production and full particulars concerning the disposition of such production, the number of workmen employed on each of such workings, the work in progress at the end of the quarter in question, and the work contemplated during the ensuing quarter;
- d. a quarterly financial report beginning with the calendar quarter in which the commencement of the Production Operating Period occurred, setting forth the quantity of Mineral Product(s) produced and sold or transferred to a third party during the quarter and the computation of the Royalties paid or remaining to be paid on such shipments or transfers;
- e. an annual operating report, beginning with the Financial Year in which the commencement of the Production operating Period occurred, which shall include:
- (i) the number and description of the workings which were in progress at the end of the Financial Year preceding the Financial Year in question (with a showing as to which were then in commercial production), the number and description of workings abandoned during the Financial Year in question; the production of each of the workings, regardless of whether in commercial production or not, with a full description of the kind and quality and analyses of Mineral produced from each working, and the number of workings on which activities are continuing at the end of the Financial Year in question, but which have not gone into commercial production; and
 - (ii) the total volume of Mineral Product, broken down into volumes mined, volumes processed from the Mines and volumes actually shipped from Liberia (with full details as to purchaser, destination and terms of sale).
- f. an annual financial report for each and every Mining License subject to this Agreement, beginning with the Financial Year in which the commencement of the Production Operating Period occurred, setting forth the quantity of Mineral Product(s) produced from within the Mining License area and sold or

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Transferred to a third party during the Financial Year and the computation of the Royalties or any other Taxes or Duties imposed with respect to the quantity of Mineral Product(s) so sold or so Transferred, in each case paid or remaining to be paid on such sales or Transfers.

The Company shall also provide such additional information as is necessary to keep the Government fully informed of all operations and activities, wherever conducted in Liberia, and of its plans in respect thereof. All quarterly reports required under this Section 9.5 shall be submitted within 30 days of the end of the quarter in question, and all annual reports required under this Section 9.5 shall be submitted within 60 days of the end of the Financial Year in question. Each report referred to in Section 9.5 shall be certified as true and correct by the designated senior authorized representative of the Company.

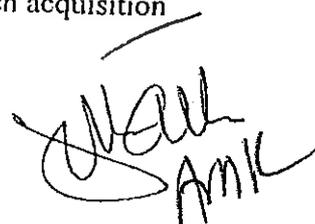
SECTION 10: LAND AND FACILITIES

10.1 Public Land.

- a. The Company shall have the right to enter upon and utilize all public land within the Contract Area for purposes of and incidental to Operations, without cost except as provided for by Section 23.1 below.
- b. To the extent that it does not involve an unreasonable interference with the rights of other Persons, the Government shall grant the Company the right to enter upon, utilize and possess, without cost, any public land not within the Exploration Area or a Production Area and which is reasonably required by the Company for purposes of and incidental to Operations including areas required for plant and equipment, Infrastructure and other facilities and equipment. Possession of such land shall be returned to the Government following the termination of this Agreement, if not earlier returned, and such land shall be deemed part of the Contract Area during any such period of occupancy and use by the Company.

10.2 Private Land.

- a. The Company shall endeavor by direct agreement with the owners to enter upon and utilize private land within the contract area required for or incidental to the Operations.
- b. If the Company and the owner(s) of private land in the contract Area which the Company reasonably requires for operations cannot agree, the Government shall assist the Company in acquiring the required private land and all improvements thereon from the relevant land owner(s). The Company shall reimburse the Government for all costs paid in connection with such acquisition

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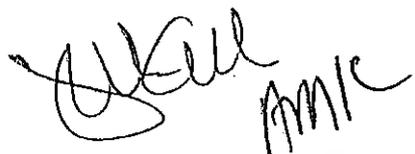
including fair compensation to the rightful owners, provided however, that the amount reimbursed by the Company to the Government with respect to compensation paid by the Government to the owner shall not exceed the reasonable value of the owners' interest in such land and any improvements thereon determined without regard to the value of any Minerals which may be contained herein, by means of an appraisal conducted by a qualified Person mutually agreed to by the Parties. Title to the property thus acquired shall vest in the Government and the Government shall grant the Company the right to enter upon, utilize and possess such land which shall be deemed part of the Contract Area.

- c. If the Company reasonably requires private land outside the Contract Area for Operations, the Company will endeavor to enter upon and utilize such land by direct agreement with the owner, and such land shall be deemed part of the Contract Area during any period of occupancy and use by the Company.
- d. For the purposes of this Agreement:
 - (1) Private land shall mean any land (including any creeks, streams, rivers or bodies of waters contained thereon, and their residue) owned by a Person other than the Government; and
 - (2) Public land shall mean all land other than private land.

10.3 **Limitation on Exploration and Production.** Nothing contained in this Section 10 shall be construed to permit the Company to explore for Minerals, or to produce Minerals found, in any land which is not within the Exploration Area or a Production Area.

10.4 **Facilities.**

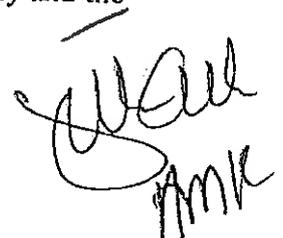
- a. The Company shall have the right to acquire, construct, install and operate plant and equipment, Infrastructure and other facilities and equipment reasonably required for Operations.
- b. The Company shall have the right to use public Infrastructure, whether owned, operated or provided by the Government or by any other Person under license or authority of the Government, to the extent adequate (taking into account the public use thereof) to meet the Company's needs with respect to Operations. The Government shall ensure that all charges for, and other terms and conditions of, the use by the Company of public Infrastructure are fair and reasonable, taking into account the cost of providing such Infrastructure, and are not more onerous than those that are generally applicable to others using similar public Infrastructure in a similar manner.

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- c. To the extent reasonable in connection with Operations, the Company shall have the right, subject to prior consultation with Government, to integrate any item of its own Infrastructure with similar items of public Infrastructure.
- d. To the extent that the Company's Infrastructure is not utilized by the Company to its full capacity, the Government shall have the right to use it on reasonable Notice to the Company, provided that such use does not impair the efficient and economic conduct of Operations. The Government shall pay reasonable compensation to the Company (other than in the case of roads and highways unless the use causes material damage thereto) within sixty (60) days after invoice from the Company in connection with such use.
- e. The Government reserves the right, on reasonable Notice to and after consultation with the Company, to construct roads, highways, railroads, telegraph and telephone lines and other lines of communication within the Contract Area, provided that such construction does not unduly burden Operations. In the event of such construction, the Government shall, within sixty(60) days after receiving an invoice from the Company, compensate the Company for all damage thereby caused to the Company and its property and hereby indemnifies and saves harmless the Company from all claims by third parties arising therefrom.

10.5 Communications Facilities, Systems and Frequencies.

- a. The Company shall have the right, as licensee or assignee, to operate for its own use and that of any Affiliate, such communications systems as it deems necessary for internal communications and communications with its Affiliates, including radio, telecommunications, satellite networks, cellular systems, microwave devices and other communications devices and systems, and to receive from the Government such rights, licenses, registrations, permits and other authorizations as may be required by Law in connection with the possession, use, importation or purchase of the foregoing.
- b. The Government agrees that it will make available, for use by the Company, an adequate number of broadcast and communications frequencies for both domestic and international use, and shall grant to the Company such rights, licenses, registrations, permits and other authorizations as may be required in order to comply with any Law regarding the possession, use, importation or purchase of related equipment or of any telecommunications devices or other communications equipment or devices subject to the prevailing requirements by the relevant Ministries and Agencies of Government. The Company and the

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Government shall consult together from time to time as to the specific frequencies to be assigned consistent with international regulations.

SECTION 11: HEALTH AND SAFETY

11.1 Health, Safety Procedures and Notifications.

- a. In connection with Operations, the Company shall install, maintain and use such modern health and safety devices, work gear and equipment, and shall practice such modern health and safety procedures and precautions (including regular safety training instructions for its employees) as appropriate in accordance with applicable Law and International Standards.
- b. The Company shall establish and implement a health, safety and environment plan (the "HSE Plan") in a manner consistent with applicable Law and International Standards. The Ministry, EPA and all relevant Government ministries and agencies may from time to time review details of the Company's HSE Plan and the Company's implementation thereof.
- c. The Company shall notify the Government promptly of any major incident(s), regardless of whether death or serious injury occurs to any employee of the Company or any of its contractors that occurs as a result of Operations. For the purposes of this Section 11.1, a serious injury means an injury that is likely to cause the injured Person to lose seven or more working days.

11.2 Security.

- a. The Company may, directly or by contract with a responsible provider of security services, establish, manage and maintain its own asset and employee security and protection service for the purpose of protecting assets in the Production Area and in the immediate vicinity of other locations at which Company has or maintains property and assets through its own security force and to do so always in accordance with Law and rules and regulations promulgated by the Ministry of Justice relating to security forces. Such security force shall not bear arms and shall at all times operate subject to the authority of, and coordination with the Liberia National Police.
- b. In the event the Company deems it absolutely necessary to have armed guards for the purpose of protecting assets in the Production Area and in the immediate vicinity of other locations at which Company has or maintains property and assets, the Company shall make a written request to the Government. The Government shall provide armed guards as needed, which expense shall be borne by the Company.


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- c. The Company's security force will have (i) the power of apprehension and detention in accordance with applicable Law for conduct or incidents occurring within its Production Area and in the immediate vicinity thereof. If any person is detained by the Company's security force, the Liberian National Police must be notified the soonest, and the person detained must be handed over to such authority as soon as practicable and in no case later than the earlier of 24 hours from the time of arrest, detention, or when requested by Liberian National Police. The Company's security force may not use unreasonable force in arresting and detaining persons, and any detention facilities maintained by the Company must be adequately ventilated, reasonably clean and with access to sanitary toilet facilities and must be approved by the Minister of Justice prior to the commencement of Operations.
- d. The Company must coordinate the activities of the Company security force with the Government's police and law enforcement authorities and report monthly to the Minister of Justice (with a copy to the Minister) on the activities of the Company security force, including number of persons detained, the reason for, the place of and the period of any detention, and the disposition of the case of each detained person. Each such report shall be certified by the Chairman of the Board or an authorized designee of the Company to be true and correct.
- e. The Company is fully responsible for the compliance of the members of its security force, whether its employees or the employees of a contractor, subcontractor, affiliate, or subsidiary, with all requirements of this Section and for all consequences of any breach of those requirements.

11.3 Sanitation

The Company shall provide its employees and subcontractors with clean and accessible flush toilet facilities and, where the nature of the work makes it appropriate, shower facilities at its workplaces.

11.4 Water Supply; Clean and Safe Drinking Water

The Company shall provide, maintain and ensure a convenient and uninterrupted supply of clean and safe drinking water for its employees and subcontractors. All drinking water shall meet or exceed the approved Government standards and International Standards for drinking water quality.

11.5 Employee Housing

- a. The Company shall establish a company town comprising of at least 325 family homes and community facilities including recreational and religious facilities within the Concession Area as more specifically planned in the Resettlement Action Plan approved by the Ministry of Lands, Mines and Energy and attached hereto as Appendix "C".
- b. The Company shall, either directly or indirectly, provide housing for the employees of the Company living within the Production Area and shall ensure that such housing has provisions for bathroom facilities with a toilet, sink, and shower and conforms to minimum standards as agreed between the Government and the Company.

SECTION 12: HEALTH CARE AND EDUCATION

12.1 Health Care.

- a. The Company shall construct, operate and maintain, or cause to be constructed, operated and maintained adequate health facilities to ensure the availability in each Production Area of 24 hour emergency medical treatment, care and attention in accordance with applicable health standards, and such other improved standards as may be agreed between the Parties. All such emergency health facilities shall be staffed with qualified medical personnel and shall be properly equipped and supplied for the level of service required in accordance with international medical standards.
- b. The Company shall provide to its employees, their spouses and immediate family Dependents health services at either its own facilities or through Company provided health insurance or payment arrangements with third party facilities. Such health services shall include the "Basic Package of Health Services" for primary healthcare as established by the MoHSW in 2008 as modified and developed over time. Where the Company does not directly provide Basic Package of Health Services at its own facility it shall have in place a program including transportation plan to transport employees, their spouses and immediate family Dependents to health care facilities where such services are provided. Such health services and transportation shall be at the Company's expense with no cost to the Company's employees, their spouses and immediate family Dependents. If such services are not provided at a health care facility within a three (3) mile radius, the Company must provide those services.

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- c. Government officials, civil servants and representatives assigned to and regularly employed in the Production Area in an official capacity, who are resident in or adjacent to the Production Area, and their resident spouses and resident Dependents, shall, during the time of such assignment, employment and residence, also be entitled to receive healthcare, including emergency care on the same basis as the Company employees who receive their healthcare from Company provided facilities.
- d. The Company shall provide reasonable access to its own health facilities and for emergency ambulatory care to members of local communities. It is understood that "reasonable access" may include the imposition of fees that are reasonable in light of the economic level of such communities, it being understood that such fees are unlikely to cover the cost of service.

12.2 Education.

Dependents of the Company's employees (excluding spouses), as well as minor children of Government officials assigned to, resident in and assigned to work in the Developed Areas for a prolonged period, being not less than 90 consecutive days in an official capacity, who have been registered as such with the Company, shall, during the time of such assignment and residence, be entitled to receive free education through the Company. The Company agrees to provide primary education through high school education free of charge to each Dependent, subject to verification of eligibility status by the Company or its representative. The Company may, at its option, build new schools in the Concession Area or invest in existing local schools to meet the requirement of this Section, such that such local existing schools, together with any such new schools, are (i) sufficient in number to educate all Dependents in addition to existing students, (ii) not overcrowded and (iii) are within the Production Areas or within a reasonable distance of the employee housing units in the Production Areas. With respect to any Dependent, unless otherwise agreed between the Company and the Ministry of Education in writing, a reasonable distance from a Dependent's home to the school such a Dependent is assigned to attend shall not be more than fifteen (15) miles in the case of a newly constructed school, and no more than thirty (30) miles in the case of an existing local school. The Company shall provide free transportation to Dependents who attend any such local schools that are more than five (5) mile from the Dependent's home. If there are no existing schools that satisfy the criteria set forth above, the Company shall construct new educational facilities in the Developed Areas for primary school grades and for high school grades, at a rate and in a number approved by the Ministry of Education. Such educational facilities shall be in conformity with Laws, rules, regulations and standards generally applicable to schools in Liberia.

SECTION 13: EMPLOYMENT, SECONDMENT AND TRAINING

13.1 Employment.

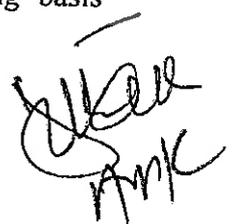
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- a. Employment practices of the Company shall conform to applicable labor practices Law and other applicable Law. The Company shall not hire individuals who are not citizens of Liberia for unskilled labor positions. The Company shall employ and give preference to the employment of qualified citizens of Liberia for financial, accounting, technical, administrative, supervisory, managerial, executive and other skilled positions, as and when they become available, it being the objective of the Parties as soon as is practicable that the activities of the Operations should be conducted and managed primarily by citizens of Liberia. In furtherance of the Company's obligations under the preceding sentence, the Parties shall agree prior to the approval of the Feasibility Report on progressive implementation of an employment schedule with the aim that citizens of Liberia will hold at least 30% of all management positions including 30% of its ten most senior positions within 8 years of the initial grant to the Company of a Mining License, and at least 70% of all management positions including 70% of its ten most senior positions within fifteen years of such date.
- b. Subject to the above, the Company may at all times choose its employees and shall be free to employ such Persons who are not nationals of Liberia as are required for the efficient conduct of Operations. Where applicable Law stipulates minimum technical qualifications and/ or minimum levels of competence for any technical post, the Government undertakes to recognize equivalent technical qualifications and/or certificates of competency held by Persons who are not nationals of Liberia, provided that such qualifications and/or certificates of competency shall have been issued by a recognized institution or statutory authority in any other country having a substantial mining industry. For the avoidance of doubt, this Section 13.1 applies to the Company as well as its contractors or sub-contractors.

13.2 Secondment.

- a. In order to affect the policy of technology transfer, at all times during Operations, the Ministry shall second at least two (2) professionals (geologists/mining engineers) to participate in the technical aspects of the Operations.
- b. The Company shall provide said professionals assigned on secondment daily allowances at a rate to be mutually agreed upon between the Parties.

13.3 Training of Liberians. Following the grant to the Company of a Mining License under this Agreement, the Company must establish a capacity development program under which it shall provide on a continuing basis

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undergraduate and graduate training abroad for its Liberian staff and qualified Liberians in order to train them for financial, accounting, supervisory, managerial, executive positions and other skilled positions in the Company. The Company shall also establish vocational training facilities, provide on-the-job training and utilize whatever other measures are necessary and reasonable to build capacity and transfer knowledge and skills to Liberian employees to enable them to work in skilled trades and to supervise other tradesmen and laborers. The Company agrees that it shall continue to hire and train Liberian geologists, including funding their CRIRSCO accreditation as and when they qualify. The Company shall furthermore facilitate applications by its own Liberian geologist employees for accreditation and subsequent registration under CRIRSCO guidelines as gold Qualified Persons. The Company agrees that it shall continue to hire and train Liberian geologists, including funding their CRIRSCO accreditation as and when they qualify.

13.4 Project Linkages Plan

- a. Within one hundred and eighty (180) days of the Effective Date, the Company shall provide the Ministry with a project linkages plan (the "Exploration Period Project Linkages Plan") as contemplated covering the period prior to the commencement of construction of any Mine. The Exploration Period Project Linkages Plan must (i) identify the potentials for local suppliers, contractors and service providers to provide goods and services to the project, (ii) identify key interventions to grow the minerals input industrial sector, and (iii) sets out a local project purchase plan with clear milestones identified in terms of an increasing percentage of local purchases of goods and services, and provide for bidding preferences for local suppliers, contractors and service providers.
- b. Simultaneously with the submission of the Feasibility Report under Section 6.4, the Company shall provide the Ministry with a project linkages plan or an updated project linkages plan, as the case may be (the "Production Period Project Linkages Plan") covering the period after the commencement of Mine construction. The Production Period Project Linkages Plan must (i) identify the potentials for local suppliers, contractors and service providers to provide goods and services to the project, (ii) identify key interventions to grow the minerals input industrial sector, and (iii) set out a local project purchase plan with clear milestones identified in terms of an increasing percentage of local purchases of goods and services, and providing for bidding preferences for local suppliers, contractors and service providers.

SECTION 14: USE OF LIBERIAN SERVICES AND MATERIALS

- a. When purchasing goods and services related to Operations, the Company must, and must cause its major contractors to, (i) organize their procurement



practices so as to give meaningful opportunities to bid for contracts to those entitled to preference pursuant to clause (ii) of this sentence, and (ii) give preference to the maximum extent possible to materials and goods produced in Liberia and services provided by citizens resident in Liberia or entities incorporated or formed in Liberia where citizens of Liberia resident in Liberia are entitled to receive 60% or more of all profits from such entities. The Company shall use and cause its major contractors to use materials, goods, and services produced or provided by Liberian citizens resident in Liberia or entities incorporated as described in the last sentence in all cases except in those where the Company can demonstrate it is not reasonable and economically practicable to do so.

- b. No later than 60 days before the start of the Financial Year that the Company expects Production to commence on any Class A Mining License area held by the Company, the Company shall submit to the Minister a Plan for Procurement of Local Goods and Services by the Company and its major contractors in the next Financial Year for its Operations, and the Company shall no later than 60 days before the start of every subsequent Financial Year submit a revised Plan for Procurement of Local Goods and Services.
- c. A "Plan for Procurement of Local Goods and Services" for the purposes of this Section 14 shall (i) identify the potential for local suppliers, contractors and service providers to service the project, (ii) identify key interventions to grow the minerals input industrial sector, and (iii) set out a project local purchase plan with clear milestones identified in terms of an increasing percentage of local purchases of goods and services.
- d. Annually after Production commences on any Class A Mining License area held by the Company, the Company shall submit a report, no later than sixty (60) days after its Financial Year has closed, detailing the Company's and its major contractors' procurement of local goods and services during the prior Financial Year and whether its annual plan was succeeding, and if not, why not.
- e. A "major contractor" for the purposes of this Section 14 is a contractor or a subcontractor who received more than US\$250,000 directly or indirectly from the Company in that year and who had significant operations in Liberia in that year.

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- f. operations such as maintaining a representative office, or the presence of supervisory personnel to inspect or direct work performed by other contractors, do not constitute "significant operations" for the purposes of this Section 14.
- g. For the avoidance of doubt, non-compliance with this Section 14 shall be considered substantial non-compliance with the Feasibility Report. If the Company does not meet the clear milestone as defined in the Plan for Procurement of Local Goods and Services, a "Failure to Procure Local Goods" penalty fee may be assessed by the Minister. If the Company fails to meet the clear milestones Plan for Procurement of Local Goods and Services in any five years, not necessarily consecutive, this failure will be a basis for termination under Section 28.

SECTION 15: COMMUNITY RESOURCES

15.1 Community Development Fund.

- a. Company shall make the following contribution into a fund established for community development purposes (the "Community Development Fund"):
 - (1) Contract Year 1 – 2, a contribution of US\$100,000
 - (2) Contract Year 3-4, a contribution of US\$150,000
 - (3) Contract Year 5-10, a contribution of US\$200,000
 - (4) Contract Year 11 through the end of the Original Term, a contribution of \$250,000.
- b. All such contributions into the Community Development Fund shall be payable annually to the Government in advance on or before February 1st of the year for the period for which payment is being made. The first payment into the Community Development Fund shall be due for the Contract Year immediately following the Effective Date.
- c. All contributions into the Community Development Fund will be with full credit toward such contribution to be given for expenses for social services performed by Company outside of Production Area or for benefits conferred on non-employees and their Dependents, subject to approval by the Government of the eligibility of such social services and benefits for such credit. For the avoidance of doubt, expenses incurred by the Company to fulfill its obligations under this Agreement, including expenses related to the provision of housing, education, medical care and other social services, shall not be deducted from the Community Development Plan or reduce the Company's contributions to the Community Development Fund. Contributions to the

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Community Development Plan shall be tax deductible and such deductions may be carried forward for an indefinite period during the Term.

- d. The Community Development Fund shall be administered by a committee consisting of not more than ten (10) members, half of whom shall be nominated and selected by the surrounding community and Government, and half by the Company. The Company shall pay US\$5,000.00 annually as committee contribution.
- e. Funds held by the Community Development Fund shall be placed in an interest bearing depository account reasonably acceptable to Government. The budget for and the actual disbursements from the segregated account shall be public and shall be subject to the same audit procedures provided for expenditures by Government and as may be further provided by Law.

SECTION 16: ENVIRONMENTAL PROTECTION AND MANAGEMENT

16.1 Environmental Impact Statement. The Parties recognize that Operations may result in some pollution, contamination or other environmental damage to land, water and the atmosphere within the Contract Area and elsewhere. In accordance with applicable Law, the Company must submit to the Minister before the commencement of Exploration and Production, and to EPA for approval an Environmental and Social Impact Assessment ("ESIA"), an Environmental and Social Management Plan ("ESMP"), satisfying the procedures and requirements set out in the EPML, EIA Procedural Guidelines, International Standards and all other applicable Laws, considering, inter alia, the individuals, communities and towns that will be affected by Mining and construction activities. The environmental component of the ESIA must at a minimum identify pre-existing environmental conditions and set forth detailed plans for the mitigation of environmental harm attributable to and the restoration or remediation of the environment to the extent affected by the implementation of Mining Exploration and Production, as the case may be.

16.2 Damage and Restoration. The Operation shall take reasonable preventive, corrective and restorative measures to limit pollution or contamination of, or damage to, streams, water bodies, dry land surfaces and the atmosphere as a result of Operations. Subject to the foregoing, at the conclusion of Operations in a part of the Contract Area, the Company shall undertake reasonable efforts, in keeping with International Standards, to restore the terrain to a state in which it is usable for economically and socially desirable purposes. Illustratively, the Company shall level the surface wherever reasonable and, if leveling is not reasonable, shall contour, grade and terrace all exposed artificial gradients and declivities which have been created as a result of Operations; shall reopen natural water courses (or, where such have been obliterated, shall open new substitute surface water courses to the end that the area shall continue to be

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drained by natural runoff with a minimum of erosion); and, at its option, shall engage in reforestation activities in areas where Operations have required the large-scale felling of trees.

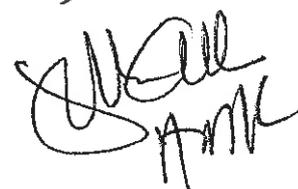
- 16.3 **Plans.** From time to time, the Company shall submit to the Government detailed plans consistent with the foregoing for the protection, correction and restoration of the water, land and the atmosphere. If the Company fails to comply with any such plan (as the same may be amended by the Company from time to time) the Government may, on reasonable Notice to and after consultation with the Company, and at the Company's expense, implement the plan as amended.

SECTION 17: TECHNICAL COMMITTEE

- 17.1 **Formation.** Upon the commencement of Production pursuant to Section 6, a Technical Committee comprising not more than five (5) members appointed by the Government and not more than five (5) members appointed by the Company shall be formed to review current and planned Operations, and to report jointly thereon to the Government and the Company. The Technical Committee shall meet twice in every Contract Year or otherwise, as the members shall agree. No meeting of the Technical Committee shall be held unless at least three (3) members appointed by each of the Government and the Company are present. The Company shall appoint the first Chairman of the Technical Committee (and any successor if he or she does not complete the initial term) who shall hold office until the second anniversary of the Effective Date. Thereafter, the Government and the Company shall have alternating rights to appoint the Chairman of the Technical Committee, who shall hold office until the next succeeding anniversary of the Effective Date.
- 17.2 **Costs.** All costs of meetings of the Technical Committee (including reasonable expenses incurred by the members and as approved both by the Government and the Company) shall be borne by Company. Members of the Technical Committee shall be entitled to sitting fees (payable by the Company) in an amount to be approved by the Government and Company for attendance in person at all meetings of the Committee.
- 17.3 **Functions.** The Technical Committee shall have no managerial responsibility or role, nor shall it be empowered to take any action on behalf of, or with respect to, the rights of any Party. The Technical Committee shall determine the content of its report by a consensus of all of its members present. If the members of the Technical Committee cannot reach a consensus on any issue, majority and minority reports shall be submitted to the Parties.

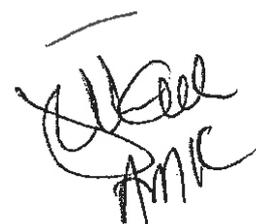
SECTION 18: UNDERTAKINGS OF THE GOVERNMENT

- 18.1 **Access to Information.** The Government undertakes and affirms that the Company shall be entitled to use and to have access to all geological or other information relating to the Contract Area that is owned by the Government or may be in or subject to the Government's control. The Government agrees to

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provide such information upon the Company's request for a minimal fee and within a reasonable time. For purposes of this Agreement, minimal costs shall mean the cost of reproduction and any additional unrecovered cost actually incurred by the Government in obtaining such information but not to exceed rates charged other Persons.

- 18.2 Provision of Documents.** Subject to Section 13.1 and except to the extent any such Person may be disqualified by Law, the Government shall promptly furnish to each employee of the Company and of its Associates who is not a citizen of the Republic, and to the spouse and minor children of each such employee, all documents and visas necessary to enable such Person to enter and to leave, or travel within, the territory of the Republic.
- 18.3 Use of Aircraft.** The Government undertakes and affirms that the Company and its Associates shall be entitled to use, in accordance with Law, an aircraft, whether owned or rented, for journeys within the Republic and into and out of the territory. Moreover, the Company and its Associates shall have aircraft landing and parking rights in all airports, airfields and landing strips with the Republic, except for those used exclusively as military bases, and shall pay the lowest applicable fees and tariffs for such use.
- 18.4 Use of Airports and Ports.** The Government shall permit the Company and its Associates to obtain access to and use all airport and port installations in the Republic, except those reserved for military and national security related activities, at the lowest prices paid by any other Person, for all aircraft and ships whose presence in Liberian territorial airspace or waters is required by the Company and its Associates in connection with Operations. These aircraft and ships shall have the right to enter and to leave the territorial airspace and waters of the Republic, without restriction, in accordance with Law.
- 18.5 Electricity Generation and Transmission.** The Government undertakes and affirms that the Company and its Associates shall be entitled, at their own cost but free of any further Taxes or Duties or other payments to any Person and/or Government for or in connection with the exercise of such entitlement, to generate, transmit and use electricity, and use and provide water, in accordance with Law regulating such use, as may be required for Operations. In the event that the Company and its Associates purchase electric power or water from the Government for any purpose associated with Operations, they shall be charged at the lowest rates applicable in the Republic to industrial users.
- 18.6 Issuance of Necessary Authorization.** The Government undertakes and affirms that it shall issue all licenses, permits, mining titles, easements, and other authorizations, including but not limited to the rights and titles referred to in Section 4 and 6 above, which are or may be necessary for the Company to conduct Operations.
- 18.7 Protection Against Nationalization or Expropriation.** The Government

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undertakes and affirms that it shall not nationalize or expropriate:

- a. any Infrastructure or other property, movable or immovable, of the Company or its Associates to the extent connected with or affecting Operations;
- b. Minerals in any form resulting from Operations;
- c. any equity, shares or ownership interests of whatever nature held in or issued by the Company;
- d. any Infrastructure put in place or used by the Company in connection with Operations; and
- e. any capital invested by the Company or its Affiliates in the Republic.

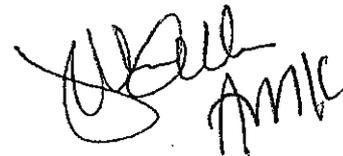
18.8 Peace Enjoyment. The Government hereby warrants and defends the Company's title to, possession and peaceful enjoyment of all rights granted to it by this Agreement and all of its property in the Republic against expropriation, confiscation, destruction, disruption, wrongful possession or interference by any Person.

18.9 Non-Derogation. The Government undertakes and affirms that at no time shall the rights (and the full and peaceful enjoyment thereof) granted by it under this Agreement be derogated from or otherwise prejudiced by any Law or by the action or inaction of the Government, the Minister or any other official of the Government, or any other Person whose actions or inactions are subject to the control of the Government.

18.10 Most Favorable Treatment. In the event that the Government grants to any other Person terms or conditions that are more favorable than those provided in this Agreement with respect to Operations, exploration or production of the same Minerals, or in the event that the Government enacts any Law or adopts any practice or policy that permits more favorable treatment of any other Person than that accorded to the Company by this Agreement with respect to exploration and production of similar Minerals being explored for, developed or produced by the Company, then the Government shall grant the same more favorable treatment to the Company, with effect from the date of its application to such other Person or of its entry into force, as the case may be.

SECTION 19: INDEMNIFICATION

19.1 Indemnification for Breach of Agreement. Any breach by either Party to this Agreement of any obligation provided for in this Agreement, shall entitle the Party aggrieved by the breach to be indemnified by the defaulting Party in an amount equal to the damage suffered by the aggrieved Party.

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- 19.2 **Company's Indemnification of the Government.** The Company shall at all times indemnify and hold harmless the Government and its officers and agents from all claims and liabilities for death or injury to Persons or damage to property from any cause whatsoever arising out of Operations or as a result of the Company's failure to comply with any Law to which it is subject.
- 19.3 **Government's Indemnification of the Company.** The Government shall indemnify and hold harmless the Company from all costs, expenses, losses and damages suffered by it (whether arising by operation of Law or contract voluntarily, made, or otherwise reasonably assumed by it) as a result of any failure of the Government to honor any provision or undertaking expressed in this Agreement.

SECTION 20: BOOKS AND RECORDS

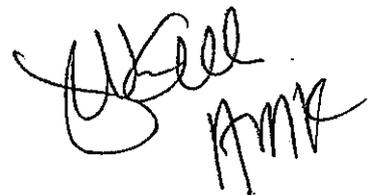
- 20.1 **Books and Records.** The Company shall maintain proper books of record and account in conformity with IFRS and with all applicable requirements of Law.
- 20.2 **Adequate Capital.**
- a. After the issuance of a Mining License to the Company under this Agreement and up to the commencement of mineral production for commercial sales, the Company must maintain a ratio of Indebtedness to Net Worth that is equal to or lower than 3:1, and may make no Restricted Payment.
 - b. After the commencement of mineral production for commercial sales, the Company may make no Restricted Payment unless after giving effect thereto, the ratio of Indebtedness to Net Worth of the Company does not exceed 3:1. For purposes of this Section 20.2 the amount of any Restricted Payment made in property is to be the greater of (x) the fair market value of such property (as determined in good faith by the board of directors of the Company) and (y) the net book value thereof on the books of the Company, in each case determined as of the date on which such payment is made.
 - c. "Indebtedness" means, at any time, without duplication,
 - (i) the liabilities of the Company for borrowed money and the redemption obligations of the Company in respect of mandatorily redeemable shares or other securities of the Company that are entitled to preference or priority over any other shares of the capital stock of such corporation in respect of payment of dividends or distribution of assets upon liquidation;
 - (ii) the liabilities of the Company for the deferred purchase price of property acquired by the Company (excluding accounts payable

arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

- (iii) all liabilities appearing on the Company's balance sheet in accordance with IFRS, as applicable under Section 25.5 in respect of leases with respect to which the Company is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with IFRS, as applicable under Section 25.5;
- (iv) all liabilities for borrowed money secured by any Lien upon or with respect to any property or asset of the Company (whether or not it has assumed or otherwise become liable for such liabilities);
- (v) all liabilities of the Company in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions representing or supporting the payment of obligations referred to in clauses (i) through (iv) hereof; and
- (vi) any guarantee or similar undertaking of the Company with respect to liabilities of a type described in any of clauses (i) through (v) hereof.
- (vii) Indebtedness of the Company shall also include all obligations of the Company of the character described in clauses (i) through (vi) to the extent the Company remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under IFRS, as applicable under Section 25.5.

d. "Net Worth" means:

- (i) The total assets of the Company which would be shown as assets on a balance sheet of the Company as of such time prepared in accordance with IFRS, as applicable under Section 25.5, minus
- (ii) The total liabilities of the Company which would be shown as liabilities on a balance sheet of the Company as of such time prepared in accordance with IFRS, as applicable under Section 25.5.

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- (iii) The Net Worth means the difference between the Total Assets as noted in d(i) and the Total Liabilities as noted in d(ii).
- e. "Restricted Payment" means, with the exception of the issuance to the Government of shares pursuant to Section 33.1:
 - (i) Any dividends or other distributions or payments of capital stock or other equity interest of the Company and the redemption or acquisition of any stock or other equity interests in the Company or of warrants, rights or other options to purchase such stock or other equity interests that would have the effect of reducing and or diluting the shareholder's equity interest in the Company, and
 - (ii) Any payment, repayment, redemption, retirement, repurchase or other acquisition, assignment whether or not direct or indirect, by the Company of, on account of, or in respect of, the principal of any intragroup subordinated debt (or any installment thereof) extended by the Company, any shareholder of the Company, any Affiliate of the Company, or any Affiliate of any 10% shareholder of the Company that has the effect of diluting any one of the shareholders interest in the Operations.
- f. The deductibility or other treatment of any interest payments by the Company for purposes of Taxes and Duties shall be governed by applicable Law and shall be unaffected by this Section 20.2.

20.3 Provision of Funds.

The Company shall ensure that it has a prudent capital structure and is provided with adequate funds as and when needed to ensure timely Development and performance of the Operations in accordance with and within the limits defined in the approved Feasibility Report and compliance with the requirements of Section 20.2.

20.4 Guarantee.

The Company shall provide the Government, within sixty (60) days of the Effective Date, an executed guarantee from its parent, guaranteeing the obligations of the Company under Sections 9, 16 and 20.3. The Mining Guarantee shall remain in effect following termination of this Agreement or until all legitimate obligations of the Company under this Agreement and covered by the Mining Guarantee are fulfilled.


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20.5 Insurance

- a. At all times during the Original Term (including during the construction period) the Company will maintain with financially sound and reputable insurers, insurance with respect to its assets and operations under this Agreement against casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business. The said insurances (the "Insurances") shall cover the following:
- (i) assets belonging to the Company, over which creditors may have liens;
 - (ii) assets belonging to the Government of Liberia;
 - (iii) assets belonging to third parties; and
 - (iv) assets which qualify as social infrastructure.
- b. In the event of destruction or damage to any, all or a substantial portion of the assets covered by the Insurances, the proceeds paid by the insurers to the Company under the Insurances shall be applied to each category of assets set out in section 20.5(a)(i)-(iv) proportionately based on the coverage; it being understood and agreed that:
- (i) the insurance proceeds received by the Company in respect of loss or damage to assets belonging to the Company shall belong to the Company and the Company and its creditors shall be entitled to re-invest or retain the insurance proceeds as they shall determine in their sole discretion. In the event that the Company decides to re-invest the insurance proceeds towards the reinstatement and/or replacement of the lost or damaged assets, the Company shall have 24 months from the date of the receipt of the insurance proceeds to commence the re-instatement and/or replacement of the lost or damaged assets. If at the expiration of the 24 month period the Company does not commence the re-instatement and/or replacement of the lost or damaged assets without reasonable cause, then, upon the request of the Government/Minister, the Company shall relinquish the Mining License applicable to such Production Area;
 - (ii) the insurance proceeds received by the Company in respect of destruction of the assets leased to the Company by Government or assets to which the Government has title, shall be applied only in


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reimbursement for the costs of restoration or replacement of such assets or as the Government otherwise consents; and

- (iii) the insurance proceeds received by the Company in respect of damage to assets belonging to third parties and assets which qualify as social infrastructure shall be applied to cover such damage.
- c. Should the Company and/or its creditors, following an insured event which led to the destruction of the material assets of the Company, find it economically viable and feasible to construct the Processing Plant in another part and/or area of the Licensed Area, the Company shall seek the consent of the Government/Minister to construct infrastructure and utilize the ore in the original Production Area at the process plant in another Production Area. Such consent shall not be unreasonably withheld by the Government/Minister.

SECTION 21: INCOME TAXATION

The Company shall pay all Taxes and Duties pursuant to applicable Law except as may otherwise be provided in this Agreement. In the event of any discrepancy between the specific provisions of this Agreement that are inconsistent with the Revenue Code as in effect on the Effective Date, this Agreement shall govern.

- 21.1 The applicable Taxes and Duties set out in this Agreement shall be stabilized as of the Effective Date for the period of fifteen (15) years. After the Effective Date, should the Government reduce the applicable Taxes and Duties below those applicable to the Company then the Company shall become entitled to such reductions.
- 21.2 **Rate and Basis.** The Company shall be liable to taxation under provisions of the Revenue Code on its net taxable income, which shall include capital gain, as follow:
- a. Commencing on the Effective Date, the Company shall be taxed on its net taxable income pursuant to Law; provided however, that during the fifteen (15) year period following the effective Date such rate shall not exceed twenty-five percent (25%).
 - b. The Company and its shareholders shall not incur in the Republic, any taxation in connection with the distribution of dividends or any other reserves or assets; provided that, in the event that any new class of shares of the Company is issued to third parties, dividends paid to such third parties shall be subject to taxation in accordance with all provisions of law (including the Revenue Code).



- c. For the whole term of the Agreement, payments made by Company or any person acting on behalf of the Company to nonresident and resident (Affiliates or non-Affiliate) for activities directly related to the Operations of the Company or the operating company, the withholding tax provided for by Sections 806 or 905 of the Revenue Code, will apply as follows:
- a. For interest payment described in Section 806(f) (1) and Section 905(h) (1), tax shall be withheld at the rate of five percent (5%) of such payments.
 - b. For other payments described in Section 806(f) (3) and Section 905(h) (3), tax shall be withheld at the rate of six percent (6%) of such payments.
 - c. Except as provided in this Section or elsewhere herein (namely the exemption on withholding tax on dividends as provided at Section 21.2(b), the withholding tax will be governed by the provisions of the Revenue Code.
 - d. The Company's net taxable income shall be computed in accordance with Law, unless otherwise provided in this Agreement, the net taxable income of the Company shall be determined in Dollars.
 - e. in computing the Company's net taxable income, the following shall be allowed as deductions from its gross income:
 - (i) in the year incurred, all expenditures on Operations, other than the capital cost of items of plant, equipment and Infrastructure and other than any payment made to an expatriate employee by the Company as reimbursement for Taxes and Duties paid by such employee to the Government, or otherwise as specifically provided below;
 - (ii) commencing in the year of construction, acquisition or installation is completed, an allowance for depreciation of the items of plant, equipment and Infrastructure referenced in this Section 21.2(e), to be computed on a straight line basis;
 - (iii) in the year sold, the difference between the adjusted basis and the selling price of any asset to the extent the latter is less than

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the former or, if any asset is declared to be scrap or obsolete or if construction, acquisition or installation of any asset is declared to be scrap or obsolete or if construction, acquisition or installation of any asset is abandoned prior to completion, the adjusted basis of the asset in the year the asset is declared scrap or obsolete or if construction, acquisition or installation of any asset is abandoned prior to completion, the adjusted basis of the asset in the year the asset is declared scrap or obsolete by the Company or in which construction, acquisition or installation of the asset is abandoned;

- (iv) in the year incurred, all interest and other financing charges on any proved indebtedness of the Company incurred in connection with Operations;
- (v) in the year paid or incurred, whichever is earlier, any and all payments of Taxes and Duties other than those paid pursuant to this Section 21.2;
- (vi) in each year, all actual bad debts in excess of any reserve against bad debts existing in such year and allowed as a deduction against gross income;
- (vii) in each year, currency exchange losses and accounting translation losses when realized;
- (viii) any prior year losses, to the extent not used to offset taxable income in a previous year, but not to exceed five years except as provided by Law;
- (ix) all costs incurred prior to the Effective Date with respect to this Agreement and the Contract Area and paid for by the Company, subject to the review of such costs for accuracy by the Minister of Finance and the Minister, which shall be capitalized and amortized over five (5) Contract Years from the Effective Date; and
- (x) all charitable contributions made in Liberia for educational, religious or medical purposes or for other social services approved by Government to the extent that, with respect to any

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tax year, such charitable contributions do not exceed twenty percent (20%) of the Company's gross income as defined in Section 21.2(e).

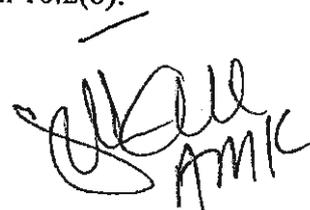
- 21.3 **Carry Forward Permitted.** To the extent that, for any reason, any deduction is not claimed in a year in which it is claimable, it may be carried forward pursuant to the Revenue Code or for such other period as may be provided by any amendment of such Law.
- 21.4 **Additional Deductions.** There shall be allowed as a deduction in the current taxable year adjustments for any items charged to reserves, prior year charges, and exceptional and extraordinary items in keeping with the Revenue Code.
- 21.5 **Computation of Taxable Income in Dollars.** Except as otherwise provided in this Agreement, the net taxable income of the Company shall be determined in Dollars in accordance with generally accepted accounting principles.

SECTION 22: ROYALTIES

- 22.1 **Royalty Rate.** The Company shall pay to the Government in Dollars a royalty at the percentage rate specified below on the proceeds paid to the Company from the sale of minerals recovered from a Production Area and sold by the Company:
- a. Gold, silver and diamonds, three percent (3%)
 - b. all other minerals to be agreed but not to exceed five percent (5%)
- 22.2 **Royalty Basis.** Royalty shall be determined on a Net Smelter Return basis for gold and silver, and Gross Revenue basis for diamonds.
- 22.3 **Payment.** Royalty shall be paid within thirty (30) days after the end of the month in which the Mineral was shipped.

SECTION 23: SURFACE RENTAL

- 23.1 **Contract Area.** The Company shall pay to the Government, during each Contract Year, a surface rental equal to Eight United States Cents (\$0.08) per acre for land in the Exploration Area and Two Dollars and Ninety Cents United States Cents (\$2.90) per acre for land in a Production Area. However, the obligation to pay surface rentals with respect to any land leased to the Company pursuant to Section 10.2(b) shall accrue beginning on January 1st of the year following the year in which the land was either leased to the Company or acquired by the Government, whichever is later. Surface rentals under this Section shall not be payable with respect to Private Land in the Contract Area, or land in the Contract Area dedicated to use as schools, hospitals, clinics and roads or for other public or charitable purposes during the period of such dedication. The Company shall receive a credit against surface rentals to the extent of any payments it has made to reimburse the State pursuant to Section 10.2(b).



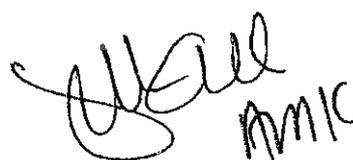
23.2 **Payment.** All such surface rentals shall be payable annually to the Government in advance on or before January 15 of the year of period for which payment is being made, according to the classification of land as Exploration Area or Production Area as of January 1 of such year. With respect to land which is thereafter declared to be a Production Area, the Company shall pay to the Government, on January 1 of the following year, such additional amount (if any) as is necessary to cause the effective rate of surface rental for such land for the year in which it is declared to be a Production Area (the "Declaration Year") to be per acre, prorated for the number of calendar months in the year during which such land is declared to be a Production Area (beginning with the month in which such land is declared to be a Production Area).

SECTION 24: OTHER PAYMENTS TO THE GOVERNMENT

24.1 **Import Duties and Excise Taxes.** Pursuant to provisions of the Investment Incentive Code of Liberia, the Company and Associates shall pay no Taxes and Duties with respect to the import, use or purchase of goods, equipment, vehicles and supplies (including medical training and education supplies and housing and office materials, furniture and supplies), and any other items required for and used in Exploration, Development and Production. The Company and Associates shall, with regard to items not used in Exploration, Development and Production or otherwise exempt pursuant to this Section 24, pay import duties and excise taxes under Law but, without prejudice to Section 18.10, at rates no higher than those payable by any other producer of Minerals in the Republic.

24.2 Other Payments.

- a. In respect of Operations and activities the Company and Associates shall pay to the Government:
 - (i) Import duty and excise tax, pursuant to the Revenue Code, on fuel at the rate of fifty percent (50%) of the import duty and excise tax provided by Section 1708(c) of the Code. When power generation is made available in said Contract Area by the Government or an agent of the Government that is (i) at a cheaper rate than is currently available with the use of fuel and (ii) is supplied in a quantity in excess of the Company's peak power requirements on a consistently available basis, then the Parties will discuss and make the necessary adjustments considering that the fuel duty discount will only be applied to the remainder of the fuel consumption necessary for mining operations and which cannot utilize grid power;
 - (ii) Ten percent (10%) of the import duty and excise tax under Laws, on consumables (other than fuels and oils);


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- (iii) During the term of the Agreement, be required to pay 10% of the Goods and Services Tax (GST) on consumables;
- (iv) During the term of the Agreement, the Company and its Associates shall be responsible for the payment of the BIVAC fees;
- (v) Commencing on the Effective Date and thereafter for the period of five (5) years following the Effective Date, the Company shall pay an annual lump sum amount of Three Hundred Thousand Dollars (US\$300,000.00) to be paid in two installment of One Hundred and Fifty Thousand Dollars (US\$150,000.00) each on January 15 and July 15 of each Contact Year, in lieu of Customs User Fees (CUF) on items imported by the Company and its Associates into the Republic for use in the Operations; and
- (vi) Surtax. During the term of this Agreement, the Company shall pay a Surtax on income as provided for under Section 730 of the Revenue Code. For the purposes of this Agreement, the Project's pretax rate of return on total investment is set at 40% or greater, the threshold rate of return for application of Surtax.

24.3 Exemption From Other Taxes and Duties. The Taxes and Duties and other amounts specifically provided in this Agreement to be paid to the Government are in lieu of all other Taxes and Duties and other amounts (except for ordinary taxes, fees and revenue charges of general application that are minor in nature and amount and that are not imposed upon or derived from Operation, such as, for example, business and auto registration and driver's license fees) which, directly or indirectly, at any time, under any sovereign revenue or other Law or otherwise, would be levied upon or payable to the Government by the Company or its Associates with respect to any activity or transaction engaged in by any of them, or any items or materials possessed, owned, transported, imported, exported, processed, refined or otherwise dealt with by any of them. The above shall apply, without limitation as to the generality of the foregoing, to any Taxes and Duties that might be paid to the Government by any of the foregoing Persons resulting from the subscription of equity or loan capital to or by any of them; the payment or receipt of interest and dividends by any of them; the import, export, acquisition, supply, sale, disposition or other dealing with property and any payment, receipt, income, profit or gain made, received, earned or realized by any of them as a result thereof. The above shall further apply, but not be limited, to any payments made to non-residents, including payments for goods and services, and payments of interest, dividends and other fixed and determinable income.

24.4 Non-Application of Section 24.3. The provisions of Section 24.3 shall not

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apply, however, to the Associates of the Company with respect to the following:

- a. their Taxes and Duties measured by reference to their net income, profit and gain under Law unless any such Person was resident in Liberia for less than one hundred eight-three (183) days in the tax year;
- b. subject to Section 24.4(a) above, their Taxes and Duties measured by reference to their net income, profit and gain under Law, and earned by them in Liberia except that no Taxes and Duties shall be payable with respect to any payments made to any of them by the Company as reimbursement for Taxes and Duties; or
- c. the import into (and subsequent re-export from) Liberia of personal and household goods and effects except as to one motor vehicle per family and as to their first move to Liberia to establish residency.

SECTION 25: FINANCIAL REPORTING AND CURRENCY

- 25.1 **Accounting.** All of the Company's accounting under this agreement shall be in dollars and all amount paid or received, and obligation incurred or transactions carried out, in currency that is legal tender in Liberia or in any foreign currency other than Dollars shall be converted to Dollars in accordance with and pursuant to generally accepted accounting principle in the United States (except to the extent inconsistent with the terms of this Agreement) based upon the prevailing market rate of exchange of dollars and any such currency at the date of the applicable transaction.
- 25.2 **Exchange Control.** The Company shall at all times have the right, without restriction, directly or indirectly, of the Government, to obtain, hold, deal with and disburse fund in such manner, currencies and places as it chooses. Without prejudice to the general of the forgoing, the Company shall have the unrestricted and unencumbered right to sell and receive payments for Minerals in any currency, including the currency in which the minerals are sold, and proceeds therefrom may be deposited in bank accounts outside of the Republic and held there and remitted therefrom to any in the world, in any currency. Notwithstanding the forgoing, the Company shall maintain at least one bank account with a bank or financial institution in the Republic. The Company shall also have the right to acquire from, and sell to, any person currency that is legal tender in the Republic at the Prevailing Market Rate of exchange. Additionally, any and all transaction between the Government and the Company dealing with or referring to a currency that is legal tender in Liberia will be converted to dollars at the Prevailing Market Rate of exchange on the date of such transaction. Currency gains or losses for purposes of Section 21 shall be determined by the Prevailing Market Rate of Exchange.

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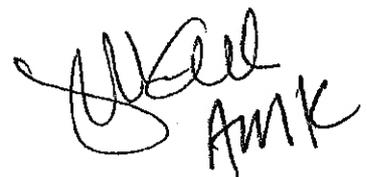
- 25.3 Currency of Payment.** Payment of Company's direct obligations to the Government for Taxes and Duties payable under section 21, 22, 23 and 24 of this Agreement shall be in Dollars, unless the parties otherwise agree. Any obligation originally stated in currency that is legal tender in Liberia, or in any currency other than Dollars, will be converted to Dollars at the Prevailing Market Rate of Exchange on the date such obligation is paid, or shall fall due, whichever is earlier. However, the Company shall make payments of sums it collect on behalf of the Government, including, but not limited to, taxes withheld from the salaries or wages of the employees of the Company, and any other sum payable to other person from which a portion is required by law to be withheld or retained by the Company on behalf of the Government, in the currency in which such salaries or wages or other sums are paid. The Company shall have the right to make all other payments whether to government or to other person in currency that is legal tender in the Republic.
- 25.4 Right to Remit and Receive Payments.** The Company shall have the right to remit and receive in Dollars all payments of dividend, interest, principle and other payable items arising from, as a result of, or related to Operations, and to do so free of Taxes and Duties on such remittances or receipts, and without penalties, any required total or partial surrender, exchange or confiscation of such Dollars, or other direct or indirect transactions on such remittances or receipts.
- 25.5 Audit.**
- a. The Company shall cause a book of account to be audited within three months, or such longer period of time as the Minister and the Minister of Finance may approve, after the close of each Financial Year by an independent auditor selected by the Company, and a copy of the annual financial statement duly satisfied by said auditor shall be furnished to the Government within (20) days after its receipt by the Company. The Government shall have the right freely to discuss with said auditor the result of the audit and certification, and the Company shall take all reasonable measures to ensure that said author shall cooperate fully in such discussions. The foregoing shall not in any way imply acceptance of any such audit or certification by the Government or preclude the Government from auditing such books of account as provided under Law, provided that the Government shall provide the Company with a copy of any such audit within forty five(45) days of receipt. However, once either the Government or the Company has audited any book of accounts, financial statement thus audited shall be considered acceptable and the audit results binding and conclusive as to its findings, unless a Party shall have indicated to the contrary within three (3) years after its receipt of a copy of the audited financial statement.



- b. If the Company has, pursuant to this Agreement, underpaid its liability for Taxes and Duties, the Government may, subject to the Revenue Code and applicable Law, assess interest and penalties but not to exceed the London Interbank Offering Rate (LIBOR) existing at the time of such assessment, plus one (1) percentage point, multiplied by the amount underpaid. If LIBOR should cease to be reported, then the rate to be applied shall be another agreed substitute rate. If the Company has overpaid its liability for Taxes and Duties the, at its option, it may elect either to be reimbursed by the Government or to apply such overpayment against future Taxes and Duties.
- c. In case a review of records or books outside of Liberia is required, the Company will cooperate to provide the Government with copies of the information, books and records needed to complete the audit. If the Government nonetheless deems it necessary for any part of such audit to be performed outside of the Republic, the cost of associated travel will be borne by the Government.

SECTION 26: INCIDENTAL RIGHTS

- 26.1 **Use of Resources.** Except as otherwise provided in Section 26, the Company shall have the right to remove, extract and use water, gravel, sand, clay, stone and timber (except for protected species, insofar as they do not interfere with or hinder Operations) provided however that the Company shall not deprive any Person of a constant and reasonable supply of usable water from a previously utilized traditional source without replacing it, nor shall the Company, without the Minister's consent, interfere with any water rights enjoyed by any user under any agreement with the Government made prior to the Effective Date of this Agreement.
- 26.2 **Imports.** The Company shall be entitled to import and use in respect of Operations, and subsequently export, any and all machinery, equipment, consumable items, fuels, explosives and any other thing whatsoever reasonably required with respect to Operations and in accordance with the terms of this Agreement, provided, however, that the Company shall not re-export fuels and explosives surplus to requirements if such surplus can be sold at competitive international prices within the Republic. The Company shall at all times comply with Law regarding the safe use, sale, disposal and security of explosives.
- 26.3 **Taxes on Resale.** The Company may sell, in Liberia, all imported items that are no longer needed for Operations. However, if such imports were exempted from Taxes and Duties, the Company shall fulfill all formalities required in connection with the payment by the purchaser of all Taxes and Duties imposed on such sales by Law.



SECTION 27: ASSIGNMENT AND ENCUMBRANCE

27.1 Right of Assignment.

- a. The Company shall have the right to assign or otherwise dispose of all or part of its interest under this Agreement with the prior written consent of the Government, which consent shall not be unreasonably withheld, or in accordance with Section 29.4 .
- b. In the event of the assignment or transfer of the rights of the Company, any income derived therefrom shall be subject to tax under the Revenue Code, however, in the case of an assignment or other disposition to an Affiliate, Section 27.1(a) shall not apply.

27.2 Right to Encumber. The Company shall have the right to mortgage, charge or otherwise encumber all or part of its interest under this Agreement for the purpose of raising, from one or more Affiliates or third parties, financing for its obligations under this Agreement, but any power of sale arising under any such mortgage, charge or other encumbrance shall only be exercised with the prior written consent of the Minister, which consent shall not be unreasonably withheld.

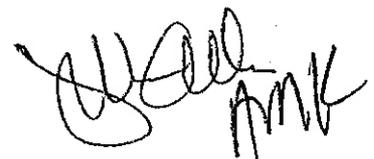
27.3 Notice of Assignment or Encumbrance. The Company shall promptly give Notice to the Minister of any assignment, mortgage, charge or other disposition or encumbrance pursuant to this Section 27 and on any financing for Operations pursuant to Section 29.4.

SECTION 28: TERMINATION

28.1 Termination by the Company. Notwithstanding any other provisions of this Agreement, the Company shall have the right to terminate this Agreement at any time, either in its entirety or as to any part of the Contract Area, thirty (30) days after giving Notice to the Government if such Notice to the Government is given within five (5) years of the Effective Date, or one hundred eighty (180) days after giving Notice to the Government if such Notice is given more than five (5) years after the Effective Date. The Company may also terminate this Agreement pursuant to Section 32.1.

28.2 Termination by the Government. Subject to the provisions of Section 30, the Government shall have the right to terminate this Agreement if any of the following events (hereinafter called "Events of Default") shall occur and be continuing:

- a. the Company shall have failed to make any payment due under Section 21, 22, 23, and 24 and such failure is not cured within 30 days of Notice from the Minister or the Minister of Finance;



- b. the Company shall have failed to make any other payment due under this Agreement, the Exploration Regulations, any Mining License issued pursuant to this Agreement or any undertaking of the Company provided for in this Agreement and such failure is not cured within 30 days of Notice from the Minister or the Minister of Finance; or
 - c. If the guarantee delivered pursuant to Section 20.4 shall for any reason no longer be enforceable in accordance with its terms, and the Company shall have failed to provide a replacement guarantee within sixty (60) days after having notice or actual knowledge thereof; or
 - d. Where the Company shall fail to comply with its material obligations under this Agreement and such failure shall have a materially adverse effect on the Government;
 - e. Where the Company shall (i) voluntarily make an assignment of all or substantially all of its assets for the benefit of creditors other than an assignment made to secure indebtedness incurred in the ordinary course of business, (ii) file a petition or application to any tribunal for the appointment of a trustee or receiver for all or any substantial part of the Company's assets, (iii) commence any proceedings for its bankruptcy, reorganization arrangement or insolvency under the laws of any jurisdiction, whether now or hereafter in effect, or if any such petition or application is filed, or any such proceedings are commenced against it, indicate its approval thereof, consent thereto or acquiescence therein, or (iv) if any order is entered appointing any such trustee or receiver, or adjudicating the Company bankrupt remain in effect for more than ninety (90) days;
 - f. Where the Company shall fail to carry out Exploration as required by Section 5.1, cease Exploration for a period of twelve (12) consecutive months or cease Production with respect to all Production Areas for a period of twenty four (24) consecutive months unless such failure or cessation is consented to by the Government or is caused by force majeure.
- 28.3 Opportunity to Cure.** In the case of an alleged Event of Default described in Section 28.2 and upon the expiry of the cure periods set out therein, the Government, before taking any further action, shall provide Notice to the Company of the alleged occurrence of such Event of Default and of the Government's views in that regard and shall offer the Company a fair opportunity to consult with the Government to resolve the matter. If, after a reasonable period of time of consultation, the Government is of the reasonable

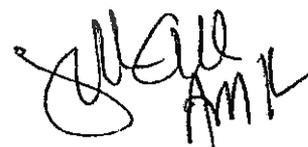


opinion that the matter cannot be resolved by further consultation, the Government may then send to the Company Notice of the Government's intention to terminate this Agreement (the "Termination Notice"). If the Event of Default is not cured within sixty (60) days after the Termination Notice, or within such longer period as may be necessary to allow a reasonable period of time to effect such cure, then this Agreement shall be terminated.

28.4 Disputes Regarding Events of Default. Notwithstanding the provisions of Sections 28.2 and 28.3, if the Company disputes whether there has been an Event of Default described in Section 28.2 and, within sixty (60) days after receipt by the Company of the Government's Notice of its intention to terminate, refers such dispute to arbitration in accordance with Section 30, then termination of this Agreement shall not take effect until the finality of, and in accordance with, an arbitration award upholding the Government's right to terminate.

28.5 Winding-up Commission.

- a. That at the time of Notice of any termination of this Agreement, and pursuant to its terms, the Parties shall set up a winding-up commission (hereinafter referred to as the "Commission") which shall consist of the Technical Committee and two (2) additional members, one each to be appointed by the Government and the Company. The chairman of the Commission shall be appointed by the Government from among the members of the Commission. Each member of the Commission, including the chairman, shall have only one (1) vote.
- b. That the chairman of the Commission shall issue a Notice and agenda for the first meeting of the Commission, which shall be held no later than three (3) weeks after the establishment of the Commission. Thereafter, the Commission shall hold periodic meetings at least once a calendar month.
- c. That the Company shall present to the Commission a detailed report on the status of the Operations of the Company under this Agreement so that the Commission will be able to make recommendations to the Government on steps which the Government might take under the circumstances with a view to preserving the viability of the enterprise, employment in the area and the centers of population.
- d. That at the request of the Government, the Commission shall establish plans for the full or partial cessation of Operations including the disposition of assets and their demolition or removal according to Section 29.
- e. That at the request of either Party, any meeting of the Commission shall be held outside Liberia, and the requesting Party shall be responsible for the travel cost of the participants.

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- f. That the Company may elect not to participate on the Commission, in which event its obligations under this Section 28 shall be limited to providing the information required in Section 28.5 (c) above.

SECTION 29: DISPOSITION OF ASSETS

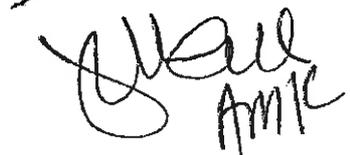
- 29.1 Immovable Assets.** Subject to Section 29.4, upon termination of this Agreement, except for termination resulting from a breach of this Agreement by the Government, or termination pursuant to Section 32.1, all permanent immovable assets of the Company in the Contract Area that are not otherwise the property of the Government shall become the property of the Government without charge. In the event of a breach by either Party, the value of the non-movable assets shall be taken into account in any award of damages under Section 30.5.
- 29.2 Movable Assets.** Subject to Section 29.4, at any time after termination of this Agreement and with respect to each movable asset of the Company in Liberia, which the Company desires to sell (other than to an Affiliate at fair market price), the Government Shall have the first option to purchase such asset at the fair market price thereof, such price to be paid in Dollars. If the Government does not exercise such option within one hundred twenty (120) days after being informed by the Company that it desires to sell such asset, then the Company may sell such asset to any other person, including the Government, for such price as it may be able to obtain therefore, or remove such asset from Liberia without Taxes and Duties or other liability to the Government. The proceeds of any such sale shall accrue to the Company. If the Government purchases any such asset, it shall pay the purchase price within sixty (60) days after such price has been agreed upon or determined, unless the Parties otherwise agree.
- 29.3 Removal of Movable Assets.** The Government, by Notice to the Company within a reasonable period but not to exceed one (1) year after termination of this Agreement, except for termination resulting from a breach by the Government, may require reasonable disposal or removal, in accordance with Law, of any or all assets, including unusable assets, remaining within the Contract Area after total disposition of assets in accordance with this Section 29, and if the Company does not reasonably dispose of or remove such assets within a reasonable period after said Notice, the Government may effect such reasonable disposal or removal at the expense of the Company, but the Company shall be entitled to any income realized from the salvage value of such assets.
- 29.4 Financing Operations.** The Government acknowledges that the Company may use debt financing ("Finance") provided by international banks ("Finance Parties") to finance the development and operation of the Company's Operations, consistent with the provisions of Section 27 in respect of Government's approval.


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- a. The Finance Parties will have an uncontested first ranking claim against the assets of the Company (including its rights under this Agreement) which are subject of the security associated with the Finance.
- b. If the Finance Parties were to request the enforcement of the security over the mining license or the rights under this Agreement (together the "Mining Rights"), it may create an entity in order to acquire the Mining Rights (and possibly also the other assets of the Company if so ordered by a court, arbitral tribunal, or voluntarily relinquished by the Company). In the event of a default, the Government shall give its authorization for the transfer of the Mining Rights (and shall not exercise the right of pre-emption or first refusal as regards the mining installations, machines, equipment or other assets that this entity might wish to acquire), provided however that, in the reasonable opinion of the Government, the new entity has the technical and financial capacity to take over the Mining Rights.
- c. If the Finance Parties proceed with the enforcement of the security over the Mining Rights but do not want to create an entity to acquire the Mining Rights, the Government agrees to give its authorization for the transfer of the Mining Rights to any transferee that might be proposed to it by the Finance Parties or that might be awarded the Mining Rights, provided that said transferee:
 - (i) has the technical and financial capacity to take over the Mining Rights; and
 - (ii) agrees to assume all the rights and obligations of the grantor arising from Mining Rights and applicable Law. The technical and financial capacity of the transferee shall be assessed in accordance with the international standards applicable in the mining sector.

SECTION 30: ARBITRATION

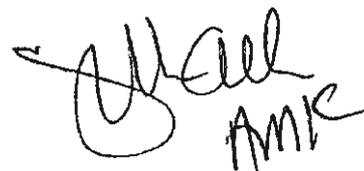
30.1 **Submission of Arbitration.** Any dispute between the Government and the Company arising out of, in relation to or in connection with this Agreement or its formation, or the validity, interpretation, termination, enforceability or breach of this Agreement (including any dispute concerning whether the Government or the Company have violated or is in breach of this Agreement or any law affecting the rights, obligation or duties of any party under this Agreement), for which resolution by submission to an independent expert is not specifically provided elsewhere in this Agreement shall be exclusively and finally settled by binding Arbitration, pursuant to the rules of UNCITRAL. Either of the Parties to such dispute may institute Arbitration proceedings by giving Notice to the other party, including in each a statement of the issue in dispute.


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- 30.2 **Arbitrators.** Any arbitral tribunal constituted pursuant to this Agreement shall consist of one (1) arbitrator to be appointed by the Government, one (1) arbitrator to be appointed by Company and one (1) arbitrator who shall be appointed jointly by the first two arbitrators and shall not be a citizen of a country to which either party belongs. No such arbitrator shall have an interest in the matter in dispute, nor of the Parties thereof.
- 30.3 **Venue.** Arbitration proceedings conducted pursuant to this agreement shall be held in Monrovia, Liberia or London, United Kingdom, and shall be conducted in the English Language. The cost of the proceeding shall be assessed and borne in such manner as the arbitral tribunal shall decide. Any procedural issues that cannot be determined under the arbitral rules of the UNCITRAL shall be determined pursuant to applicable laws as set forth in section 34 below.
- 30.4 **Waiver of Sovereign Immunity.** The Government hereby irrevocably waives all claims of immunity from the Arbitrators' jurisdiction, and from the enforcement of any arbitral award rendered by a tribunal constituted pursuant to this Agreement including immunity from services of process and immunity from the jurisdiction of any court situated in any state, country or nation.
- 30.5 **Reservation of Rights.** The right to refer a claim or dispute to arbitration hereunder shall not be affected by the fact that a claimant or respondent has received full or partial compensation from another Person for a loss or injury that is the object of the claim or dispute, and any such other Person may participate in such proceedings by right of subjugation.

SECTION 31: NOTICES

- 31.1 **Written Communication.** All orders, approvals, declarations and Notices of any kind between the Parties which are required, expressly authorized or provided for under this Agreement (hereinafter each referred to as a "Communication") shall be in writing and delivered by hand, by telefax, by postage prepaid registered mail, by any other means of communication agreed upon by the Parties, or pursuant to Section 31.4. The Communication shall also be signed by a duly authorized representative of the Party dispatching the Communication.
- 31.2 **Delivery.** A delivery of a communication to a Party shall be deemed to have occurred in any of the following circumstances:


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- a. When an official of the Government, in the case of the Government, or a director of the Company, in the case of the Company, has signed a return receipt of registered mail;
- b. When a telefax confirmation of receipt has been electronically issued to the sender by a receiving telefax device at a telefax number authorized hereby indicating receipt of a Communication sent via telefax;
- c. When verification of receipt of the Communication has been obtained in any manner specifically agreed to in writing by the Parties; or
- d. When a Party has directly or indirectly acknowledged receipt of the Communication in writing.

31.3 Address. All Communications from the Government to the Company shall be addressed as follows:

Bea Mountain Mining Corporation
Allison Street (behind Lone Star Communication office)
Congo Town, Liberia

31.4 Copies of Communication.

All Communications from Company to Government shall be addressed to the Minister of Lands, Mines & Energy, Monrovia, Liberia, with copies to:

The Minister of Finance
Ministry of Finance
Monrovia, Liberia

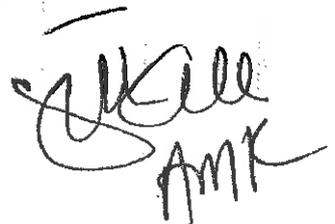
The Chairman, National Investment Commission
National Investment Commission
Monrovia, Liberia

31.5 Change of Address. Either Party may, upon prior Notice to the other Party, at any time change the designation of the Person named to receive Communications from the other Party, the address or telefax number of the office in Liberia, or elsewhere authorized to receive such Communications or the address or addresses or telefax number or numbers of the offices to which copies of Communications from one party to the other are to be delivered.

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SECTION 32: FORCE MAJEURE

- 32.1 **Application.** In the event either of Party being rendered unable in whole or in part, by force majeure to carry out any obligation under this agreement other than an obligation to make payments or money that accrued prior to the commencement of force majeure, such person shall give notice and the particulars of such force majeure in writing to the other party as soon as practicable after occurrence of the cause relied on, and the obligation of the party giving such notice in so far as it is affected by such force majeure, shall be suspended during the continuance of any such inability. However, any such inability, shall as far as practicable be remedied with all reasonable dispatch. All time periods specified in this agreement for the performance of obligations or the enjoyment of any rights that are affected by force majeure, except in connection with an obligation to make payments of money that accrued prior to the commencement of force majeure, but including the term of this Agreement, shall be extended by the period of time the inability caused by such force majeure exists. Sixty (60) days after giving Notice to the Government, the Company shall have the right to terminate this Agreement without further obligations or cost (except for any obligation and cost that accrued prior to the commencement of the force majeure) if a condition of force majeure has existed for a period of one (1) year or more which renders Production impracticable or unprofitable, or prevents Production, the export or sale of Minerals, or the Company's exercise of a substantial part of its rights under this Agreement.
- 32.2 **Definition.** The term "force majeure" as used in this Agreement shall mean acts of God, accidents, wars, acts of war, invasions, acts of public enemies, hostilities (whether war is declared or not), restrictions on trade or other activities imposed by any sovereign, embargoes, blockades, revolutions, riots, civil commotions, sabotage, strikes and/or other industrial, labor or employer-employee disputes (if not cured for a period of more than two (2) months) fires, explosions, earthquakes or any natural disasters, expropriation of facilities or goods, epidemics, and any similar cause, provided any such cause was not within the reasonable control of the Party claiming suspension and could not have been avoided or overcome by such Party through the exercise of due diligence.
- 32.3 **No Required Settlement.** Nothing in Sections 32.1 or 32.2 above shall, in and of itself, be construed to require the Company to settle any strike, lockout or other labor or industrial dispute except as may be required by Law.


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SECTION 33: LIBERIAN PARTICIPATION IN OWNERSHIP

33.1 Government Ownership of Equity. Government shall receive, free of charge, an equity interest in the Company's Operations equal to ten percent (10%) of its authorized, issued and outstanding share capital existing at any time and from time to time, without dilution. Dividends to shareholders will be payable only once all the project capital investment and any related project loan and interest have been fully recovered.

33.2 Liberian Participation in Equity. Not later than one hundred eighty (180) days after the expiration of the final term of the Exploration License, the Company shall notify the Minister that a number of shares of its stock equivalent to ten percent (10%) of any offering of the stock of the Company made to any other person on or subsequent to the expiration of the final term of the Exploration License is available for purchase by Government of Liberian citizens at fair market value and upon reasonable terms. This offer shall remain open for one hundred twenty (120) days.

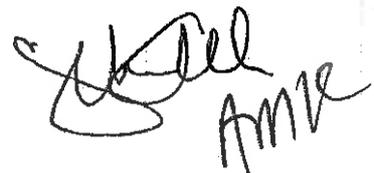
SECTION 34: GOVERNING LAW

This Agreement and the rights, obligation and duties of the Parties hereunder shall be construed and interpreted in accordance with Law and by such rules and principles of generally accepted international law as may be applicable, particularly with regards to an investment by nationals of one country in another country. Notwithstanding the foregoing, in the event of a conflict between this Agreement or the rights, obligations and duties of a Party under this Agreement, and any other Law, including administrative rules and procedures and matters relating to procedure, and applicable international law, then this Agreement shall govern the rights, obligations and duties of the Parties.

SECTION 35: ENTIRE AGREEMENT – MODIFICATIONS

35.1 Entire Agreement. This Agreement, including the Appendices attached hereto, represents the entire agreement between the Parties and supersedes all previous oral and written negotiations and agreements.

35.2 Amendment. Any modification or amendment of any terms of this Agreement shall be by the mutual written agreement of the Parties.

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SECTION 36: PERIODIC REVIEW

36.1 **Modification and Review.** The Parties agree that this Agreement shall be subject to periodic review once every five years after the commencement of production for the purpose of good faith discussions to effect such modifications to the Agreement as may be necessary or desirable in the light of any substantial changes in circumstances which may have occurred during the previous five years.

36.2 **Good Faith.** It is understood that this clause subjects the Parties to a simple obligation to consider in good faith the proposed modification of the Agreement, subject to section 35.2. This Agreement shall remain unaltered and in force during any such period of consideration.

SECTION 37: NON-WAIVER OF RIGHTS

The non-exercise or partial exercise by one or the other of the parties of any of its rights under the terms of this Agreement shall not in any case constitute a waiver of that right.

SECTION 38: SUCCESSION

The terms and conditions of this Agreement shall inure to the benefit of and be binding in addition to the parties themselves upon the successors, beneficiaries and assignees of the Parties including, without limitation, all future manifestations or forms of public power exercising sovereign authority over all or part of the present territory of the Republic.

SECTION 39: SURVIVAL PROVISION

Notwithstanding termination of this Agreement by either Party or for any reason, including a termination due to a finding that this Agreement or a portion thereof is void, invalid, or unenforceable, Sections 1, 20.4, 29, 30, 34 and 39 shall survive such termination and shall remain effective as to any matters which are the subject of this Agreement or which arise out of, in relation to or in connection with this Agreement. Moreover, any such termination shall be without prejudice to rights, duties and obligations that have accrued prior to termination and, notwithstanding such termination such provisions of this Agreement as are reasonably necessary for the full enjoyment and enforcement of such rights, duties and obligations shall survive such termination for the period necessary.

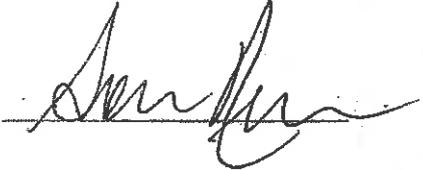


IN WITNESS WHEREOF, the Parties have signed this Agreement, through their respective duly authorized representatives, on the day month and year indicated below.

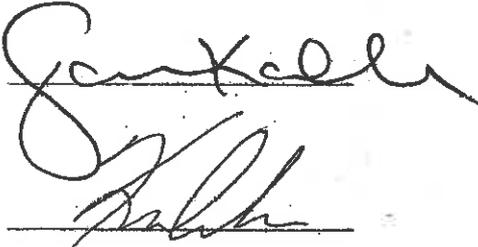
Signed in 5 originals on the 7th day of September 2013.

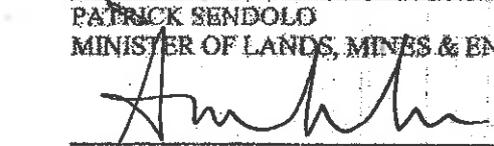
IN PRESENCE OF:

FOR THE GOVERNMENT OF THE
REPUBLIC OF LIBERIA:



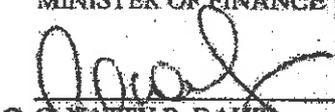

PATRICK SENDOLO
MINISTER OF LANDS, MINES & ENERGY

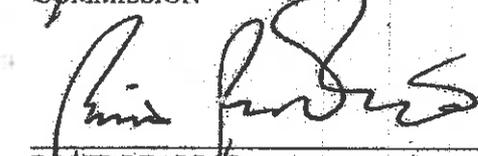


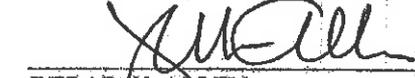

AMARA KONNEH
MINISTER OF FINANCE

FOR BEA MOUNTAIN MINING CORP.

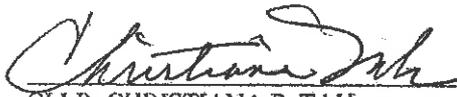




CHARITY B. DAVIS
CHAIRMAN, NATIONAL INVESTMENT
COMMISSION


DAVID READING
CHIEF EXECUTIVE OFFICER


DEBAR W. ALLEN
GENERAL MANAGER

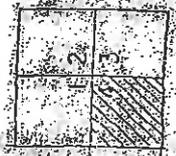
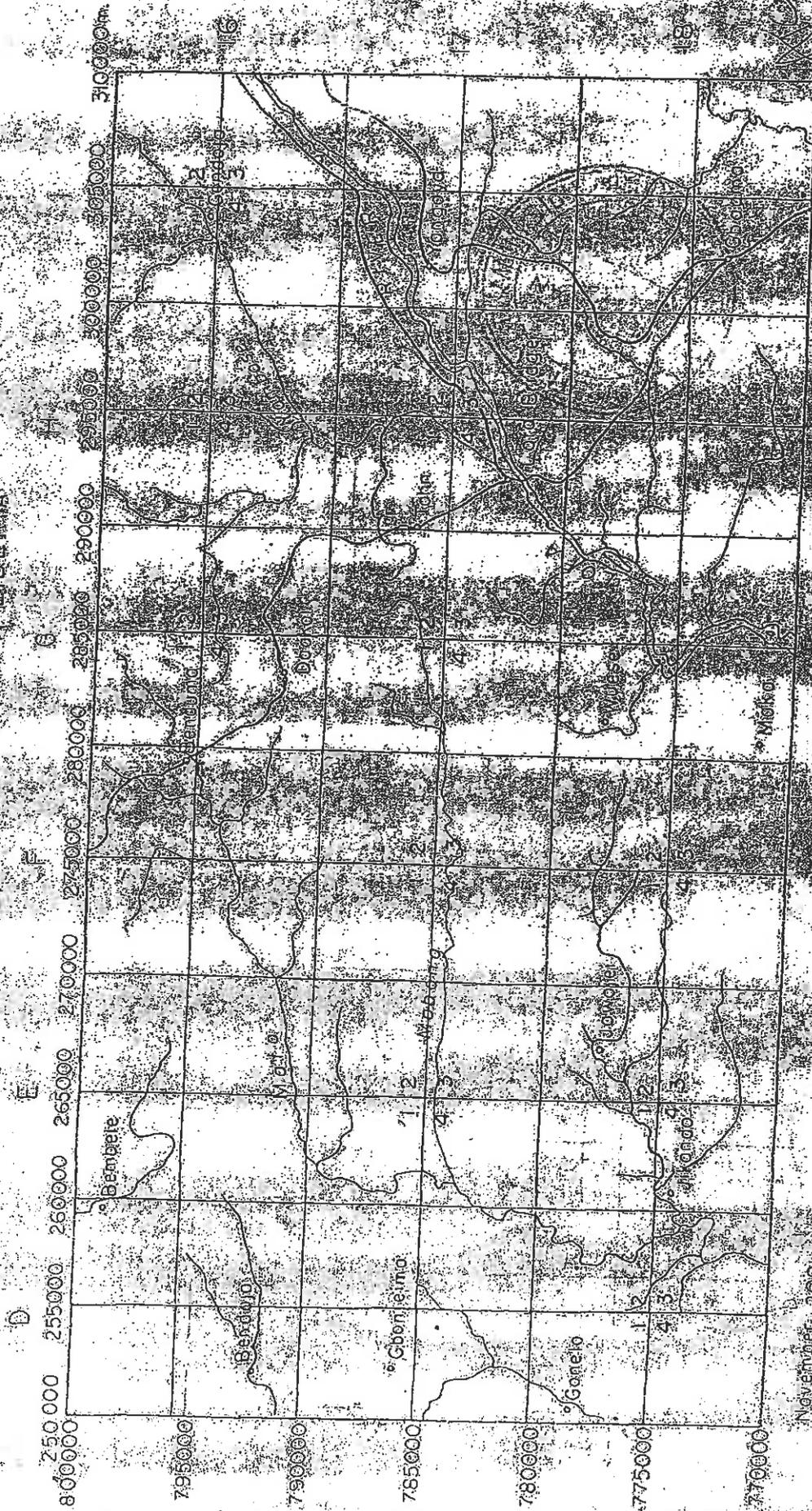
ATTESTED:


CLLR. CHRISTIANA P. TAH
MINISTER OF JUSTICE, R.L.

APPROVED:


HER EXCELLENCY
ELLEN JOHNSON SIRLEAF
PRESIDENT OF THE REPUBLIC OF LIBERIA

MINERAL DEVELOPMENT AREA OF BEA MOUNTAIN MINING CORE
 GRAND CAPE MOUNT COUNTY, LIBERIA



November, 2009

APPENDIX