



**"AN ACT RATIFYING THE MINERAL DEVELOPMENT AGREEMENT (MDA)
BETWEEN THE GOVERNMENT OF LIBERIA AND CHINA (HONG KONG) MINING
COMPANY, LTD. & CHINA UNION INVESTMENT (LIBERIA)
BONG MINES COMPANY, LTD"**

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2009
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THE MINERAL DEVELOPMENT AGREEMENT (MDA)

Between

**THE GOVERNMENT OF
THE REPUBLIC OF LIBERIA,**

CHINA-UNION (HONG KONG) MINING CO., LTD.

and

**CHINA-UNION INVESTMENT
(LIBERIA) BONG MINES CO., LTD.**

Dated as of January 19, 2009

8.11.09



2009

"AN ACT RATIFYING THE MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN THE GOVERNMENT OF LIBERIA AND CHINA (HONG KONG) MINING COMPANY, LTD. & CHINA UNOIN INVESTMENT (LIBERIA) BONG MINES."

IT IS ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF LIBERIA IN LEGISLATIVE ASSEMBLED:

Section I: That immediately after the passage of this Act "AN ACT RATIFYING THE MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN THE GOVERNMENT OF LIBERIA AND CHINA (HONG KONG) MINING COMPANY, LTD. & CHINA UNOIN INVESTMENT (LIBERIA) BONG MINES as herein recited below word for word in the authentic English version be, and the same is hereby ratified to give full force and effect to the provision as contained herein.

SECTION II: SHORT TITLE: this Act RATIFYING THE MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN THE GOVERNMENT OF LIBERIA AND CHINA (HONG KONG) MINING COMPANY, LTD. & CHINA UNOIN INVESTMENT (LIBERIA) BONG MINES shall also be cited as the MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN THE GOVERNMENT OF LIBERIA AND CHINA (HONG KONG) MINING COMPANY, LTD. & CHINA UNOIN INVESTMENT (LIBERIA) BONG MINES.

SECTION III: That any and all obligations, covenants, terms and conditions as contained in the above mention MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN THE GOVERNMENT OF LIBERIA AND CHINA (HONG KONG) MINING COMPANY, LTD. & CHINA UNOIN INVESTMENT (LIBERIA) BONG MINES shall be carried to full completion unless otherwise modified, amended or repealed.

SECTION IV: That the Community Development fund of US\$3.5 million as provided for in the Agreement shall be apportioned to the affected Counties as follows:

1. Bong County - 50% of the US\$3.5m
2. Montserrado Co. - 25% of the US\$3.5m
3. Margibi Co. - 25% of the US\$3.5m

SECTION V: This Act shall take effect immediately upon the publication into handbill.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

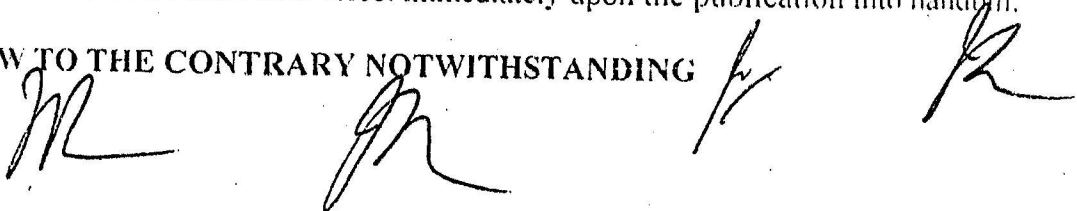




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MINERAL DEVELOPMENT AGREEMENT

This Mineral Development Agreement (hereinafter referred to as the "Agreement") is made the 19th day of January, 2009 by and among

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA

represented by the Minister of Lands, Mines and Energy, the Minister of Finance, and the Chairman of the National Investment Commission, and attested to by the Minister of Justice, and

CHINA-UNION (HONG KONG) MINING CO., LTD.,

a corporation organized under the laws of Hong Kong,

and

CHINA-UNION INVESTMENT

(LIBERIA) BONG MINES CO., LTD.

a corporation organized under the laws of Liberia.

Capitalized terms used in this Agreement without other definition have the respective meanings assigned thereto in Section 1 of this Agreement.

WITNESSETH:

- A. Every Mineral on the surface of the ground or in the soil or sub-soil, rivers, water courses, territorial waters and continental shelf of Liberia is the property and national wealth of Liberia and all rights related to the exploration for and exploitation of Minerals belong exclusively to Liberia.
- B. The Government desires to encourage the further Exploration and Development of Minerals in Liberia, and wishes to promote and facilitate the operation of Mining companies in connection therewith.
- C. The Government also desires, through the operation of Mining companies, to benefit regions in which Minerals are developed, including facilitating growth centres and education for sustainable regional development, to create more employment opportunities, to encourage and develop local business and ensure that skills, know-how and technology are transferred to citizens of Liberia, to acquire basic data regarding and related to the country's Mineral resources and to preserve and rehabilitate the natural environment for further development of Liberia.

- D. On or about January 23, 2008, the Government issued a general solicitation for bid proposals for the exploration and mining of Iron Ore in the so-called "Bong Range" of Liberia (the "Bong Project"), as described in Tender Documents dated January 23, 2008, as amended (the "Bong Range Tender").
- E. On or about May 23, 2008, China Union Investment Co. Ltd, a company organized under the laws of the People's Republic of China and an Affiliate of the Concessionaire and the Operating Company ("China Union"), submitted a bid in response to the Bong Range Tender as set forth in the Bid Materials, and on or about December 8, 2008, the Government notified China Union that its bid had been accepted by the Government.
- F. Since the Bong Range Tender and the submission of the bid by China Union and acceptance thereof by the Government, the world financial system has been subject to a systemic crisis which has substantially adversely affected the iron and steel industry in all countries, including the Republic and the People's Republic of China, and in consideration of which the Government agrees to make certain modifications in the terms and conditions of the grant of rights and other related terms and conditions with respect to the Bong Project.
- G. The Government is willing to grant the Concessionaire and the Operating Company rights with respect to the proposed Exploration and Mining of Iron Ore in the Bong Range pursuant to such modified terms and conditions.
- H. The Concessionaire and the Operating Company are willing to accept the rights granted by the Government under this Agreement and to assume the obligations imposed upon them hereunder.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1 – DEFINITIONS, TERMINOLOGY AND INTERPRETATION

The following terms wherever used in this Agreement shall have the respective meanings set forth below:

"Additional Concession Area" has the meaning given in Section 3.1.

"Additional Concession Area Hand-Over Date" means the date, which may be any day beginning on the Effective Date and ending on the first anniversary of the Effective Date, the Government notifies the Concessionaire that the rights of the Concessionaire to use the Additional Concession Area in accordance with the terms of this Agreement shall be effective.

"Additional Concession Area Mine" means any Mine located in the Additional Concession Area.

"Affiliate" of any Person means any other Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person.

"Approved Feasibility Study" means any Feasibility Study referred to in Section 5.1(b) that has been approved by the Government.

"Associate" means (x) each Affiliate, shareholder, financier or contractor who works solely and exclusively for the Concessionaire or the Operating Company in Production and Operations and (y) each director, officer, agents and employee of the Concessionaire or the Operating Company.

"Agreement" means this Mineral Development Agreement and any amendments to it made pursuant to its terms as well as all schedules and exhibits annexed to it.

"Bid Materials" means all the documents listed on the Index of Bid Materials attached hereto as Schedule 1, as submitted by CU to the Government on May 23, 2008.

"Bong Project" has the meaning given in the Recitals.

"Bong Project Operating Agreement" has the meaning given in Section 22.2.

"Bong Range Tender" has the meaning given in the Recitals.

"Business Day" means any day other than a Saturday or Sunday or a holiday declared by the Government.

"Change in Control" has the meaning given in Section 22.9(b).

"China Union" has the meaning given in the Recitals.

"Commission" has the meaning given in Section 24.5.

"Communication" has the meaning given in Section 27.1.

"Concessionaire" means China-Union (Hong Kong) Mining Co., Ltd., a corporation organized under the laws of Hong Kong, and its permitted successors by operation of law and its permitted assigns.

"Concessionaire Event of Default" has the meaning given in Section 24.2.

"Competent Person" is a Person not directly connected to any party to this Agreement (whether in terms of affiliation, commercial relationship or otherwise) who has at least 5 years experience relevant to the style of mineralization and type of deposit under consideration and the activity which a party to this Agreement is undertaking which is the subject of review by such Person. If the Competent Person is estimating or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent Person is estimating or supervising the estimation of Mineral Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Mineral Reserves.

"Concession Area" has the meaning given in Section 3.1.

"Confidential Information" has the meaning given in Section 32.1(a).

"Contiguous Area" has the meaning given in Section 3.2.

"Contiguous Area Determination Date" has the meaning given in Section 3.2.

"Contiguous Area Mine" means any Mine located in the Contiguous Area.

"Control" (including the terms "Controlled by" and "under common Control with" and "Controls") means the possession, directly or indirectly, of the ability to direct the management and policies of a Person. Without limiting the generality of the preceding sentence, such ability is presumed to exist as to a Person if another Person or Group holds or can direct the exercise of at least 25% of the Management Rights with respect to such first Person and no other Person or Group holds or can direct the exercise of a greater percentage of the Management Rights of such first Person.

"CVRD" means the Vale Mining Company, known until 2007 as Companhia Vale do Rio Doce.

"Development" means all preparation for the removal and recovery of Minerals, including the construction, installation of all Mining Plant, Infrastructure and other equipment to be used in connection with the mining, handling, milling, beneficiation or other processing or transportation of Minerals.

"Dollar" and "US\$" mean the lawful currency of the United States of America.

"Effective Date" means the date upon which this Agreement becomes effective as provided in Section 2.

"EIA" has the meaning given in Section 5.2(b).

“EMP” has the meaning given in Section 5.2(a).

“EPA” means the Environmental Protection Agency of Liberia and any other ministry, department or agency of Liberia that succeeds to its environmental protection functions.

“Event of Default” means a Government Event of Default or a Concessionaire Event of Default.

“Exploration” means activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Minerals using geological, geophysical and geochemical methods, including without limitation drilling, bore holes, test pits, trenches, surface or underground headings, drifts or tunnels, as well as non-obtrusive methods, in order to distinguish the nature, shape and grade, physical and chemical characteristics, and size of Mineral deposits, and unless the context shall otherwise require, includes laboratory testing and assays carried out in connection with the foregoing activities. “Explore” has a corresponding meaning.

“Exploration Budget” means, with respect to Exploration to be conducted pursuant to an Exploration License issued pursuant to this Agreement, the budget approved by the Government pursuant to the Exploration Regulations.

“Exploration License” means a license substantially in the form of Exhibit I attached hereto.

“Exploration Regulations” means the regulations of the Ministry from time to time in effect governing Exploration for Minerals in Liberia, whether pursuant to a license or otherwise, provided that pending the formal adoption by the Minister of such regulations, “Exploration Regulations” means the draft Exploration Regulations as noticed for hearing on November 17, 2008, or any subsequent draft Exploration Regulations noticed for hearing.

“Exploration Term” means the term of an Exploration License issued pursuant to this Agreement, including as modified or extended from time to time.

“Exploration Work Program” means, with respect to Exploration to be conducted pursuant to an Exploration License issued pursuant to this Agreement, the work program approved by the Government pursuant to the Exploration Regulations.

“Feasibility Study” has the meaning given in Section 5.2

“Financial Year” means January 1 through December 31, or such other period of twelve calendar months ending on March 31, June 30 or October 31 as may be agreed by the parties.

“First Payment Date” has the meaning given in Section 16.6.

“Force majeure” has the meaning given in Section 28.2.

“Forfeitable Area” has the meaning given in Section 4.2.

“GAAP” has the meaning given in Section 17.6(a).

“Geological Exploration” means Exploration to define, localize and quantify unknown Iron Ore bodies for the purpose of identifying a Proposed Production Area.

“Goma Deposits Area” has the meaning given in Section 3.1.

“Goma Mine” means any Mine located in the Goma Deposits Area.

“Goma Roads” has the meaning given in Section 6.6(c).

“Government” means the Government of Liberia, including all of the branches, divisions, political subdivisions, instrumentalities, authorities and agencies of its government.

“Government Event of Default” has the meaning given in Section 24.1.

“Group” means two or more Persons who are acting together for the purpose of acquiring, holding, voting or disposing of Management Rights of a Person. The parties to a shareholders agreement with respect to a corporation that establishes how directors of the corporation are to be chosen or how the parties must vote their shares in certain cases, and the parties to any similar agreement with respect to any other business entity, are in each case members of a Group.

“Holder” has the meaning given in Section 22.9(d).

“Hydro-Power Plant” has the meaning given in Section 19.3.

“ICC” means the International Chamber of Commerce.

“IFRS” has the meaning given in Section 17.6(a).

“Immovable” means, when referring to tangible property, all improvements to the land, such as roads, dams, and canals, and all items of tangible property that are

securely affixed and attached to the land or to buildings or other structures on the land. All other items of tangible property are "Movable".

"Indebtedness" has the meaning given in Section 20.5(c).

"Index Price" has the meaning given in Section 15.1(b).

"Indicated Iron Ore" has the meaning of "Indicated Mineral Resource" given in and determined as prescribed in SAMREC, as applied to Iron Ore.

"Indicated Mineral Resource" has the meaning given in and is to be determined as prescribed in SAMREC.

"Inferred Mineral Resource" has the meaning given in and is to be determined as prescribed in SAMREC.

"Infrastructure" includes all facilities and, to the extent provided below, equipment acquired, constructed or leased by the Concessionaire (other than Mining Plant) and used by the Concessionaire in connection with Operations (other than in Exploration), including (by way of example):

- a. Immovable transportation and communication facilities (including roads, bridges, railroads, airports, landing strips and landing pads for aircraft, hangars and other airport facilities, garages, channels, tramways, pipelines and Immoveable installations for radio, telephone, telegraph, telecommunications, and electronic or other forms of communications).
- b. Immoveable port facilities (including docks, harbours, piers, jetties, breakwaters, terminal facilities and warehouses, and loading and unloading facilities).
- c. Immoveable 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. Immoveable public welfare facilities (including schools, clinics and public halls).
- e. Miscellaneous Immoveable facilities used primarily in connection with the operation of any of the foregoing (including offices, machine shops, foundries, repair shops, employees' housing and warehouses).
- f. Movable equipment used as an integral part of the Immoveable facilities described above.

"Initial Concession Area" has the meaning given in Section 3.1.

"Initial Railroad Renovations" has the meaning given in Section 6.6(a).

"International Standards" means any of the standards of professional care, skill, diligence, practices and methods generally followed by prudent internationally recognized professionals regarding the conduct of similar activities or the provision of similar services.

"Iron Ore" means ore of which the principal economic value is its iron content.

"Land" means any land in Liberia including any creeks, streams, rivers or bodies of water (and their residue) contained on or within all such land.

"Landowner" has the meaning given in the Mining Law.

"Law" means any constitution, treaty obligation, law, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclamation, directive, executive order or other sovereign act of the Government other than this Agreement.

"Liberian Currency" means any currency, except Dollars, that is legal tender in Liberia, or circulates freely in any part of Liberia by virtue of any Law or authority as a medium of exchange for the purchase or sale of goods and services.

"LIBOR" has the meaning given in Section 26.6.

"Lien" means any mortgage, lien, pledge, charge, security interest or other encumbrance on any property or asset, or any interest or title of any vendor, lessor, lender or other secured party in or to any property or asset under any conditional sale or other title retention agreement.

"Management Rights" means, with respect to a Person not an individual, the right to participate in the direction of the management and policies of such Person, whether through the ownership of securities, by contract or otherwise, including (by way of example and not limitation) (i) the power to direct the vote of shares entitled to participate in the election of directors of such Person, (ii) any other right to participate in the designation of the directors of such Person, (iii) the power to act as, or to direct the vote of a voting partner of, any such Person that is a partnership, or (iv) the contractual right to act as a manager or operator of any such Person that is a limited liability Concessionaire or similar entity, or to participate in the direction of such manager or operator.

"Mine" when used as a verb, means to intentionally extract or win Minerals and includes any Operations directly or indirectly incidental thereto. "Mining," when used as a verb, has a corresponding meaning. "Mine," when used as a noun, refers to the

tangible shafts, cuttings, excavations and diggings from which or through which Minerals are extracted from the earth.

“Mineral” or “Minerals” means a naturally occurring element or compound having an orderly internal structure and characteristic chemical composition, crystal form, and physical properties, formed by or subject to a geological process, including Iron Ore but not including hydrocarbons.

“Mineral Reserves” has the meaning given in SAMREC

“Mineral Resources” has the meaning given in SAMREC.

“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, and the Regulations.

“Mining License” means a Class A Mining License, substantially in the form of Exhibit 2 attached hereto.

“Mining License Area” means the area subject to the Mining License.

“Mining Plant” means all facilities and equipment acquired, constructed or leased by the Concessionaire that are directly used in the extraction, milling, beneficiation or other processing of Minerals into the form in which they are marketed by the Concessionaire, including both Immoveable items and Movable items. For the avoidance of doubt, facilities and equipment used to transport Minerals after extraction and through the final stage of processing by the Concessionaire (including direct Mineral load-out facilities integrated into the final processing facility and transport from the final processing facility to adjacent storage areas) constitute Mining Plant, while such things as facilities and equipment used to load and transport Minerals onward from the point of final processing constitute Infrastructure.

“Mining Term” means the term of a Mining License issued pursuant to this Agreement, including as modified or extended from time to time.

“Minister” has the meaning given in the Mining Law.

“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.

“Modified Bid Materials” means the Bid Materials as modified by the Non-Goma Deposits Area Feasibility Study as approved by the Government pursuant to Section 5.1(a)(i).

“Mortgage” has the meaning given in Section 22.5(a).

“Movable” has the meaning given in the definition of “Immovable” above.

“mtpa” means million metric tons per annum.

“Net Worth” has the meaning given in Section 20.4(d).

“Non-Goma Deposits Area” has the meaning given in Section 3.1.

“Non-Goma Area Deposits Feasibility Study” has the meaning given in Section 5.1(a)(i).

“Non-Goma Mine” means any Mine located in the Non-Goma Deposits Area.

“Non-Goma Roads” has the meaning given in Section 6.6(c).

“Occupant of Land” has the meaning given in the Mining Law.

“Operating Company” means China Union Investment (Liberia) Bong Mines Co., Ltd., a corporation organized under the laws of Liberia, and its permitted successors by operation of law and its permitted assigns.

“Operations” means all activities and transactions conducted by or on behalf of the Concessionaire and/or the Operating Company with respect to, under or incidental to this Agreement including Exploration, Development, Production and restoration or remediation.

“Party” means either the Government, the Concessionaire or the Operating Company and, in the plural form, the Government, the Concessionaire and the Operating Company.

“Permitted Liens” has the meaning given in Section 22.5(c).

“Permitted Transferee” has the meaning given in Section 22.6.

“Person” means any natural person and any partnership, joint venture, corporation, limited liability company, trust, estate or other entity that is recognized by the laws of any jurisdiction as a distinct body possessing the right to enter into contracts or to own, lease or possess real or personal property, as well as a government or state, and any branch, division, political sub-division, instrumentality, authority or agency of any government or state.

"Phase I Capacity Test" has the meaning given in Section 6.1(a).

"Phase I Capacity Test Date" has the meaning given in Section 6.1(a).

"Phase II Capacity Test" has the meaning given in Section 6.1(a).

"Phase II Capacity Test Date" has the meaning given in Section 6.1(a).

"Pledged Assets" has the meaning given in Section 22.5(a).

"Port Facility" means the portion of the Freeport of Monrovia, Liberia described in Schedule 5 attached hereto, the coordinates of which will be provided by the government no longer than 90 days after the effective date and shall be incorporated into Schedule 5.

"Prevailing Market Rate of Exchange" means the predominant rate, expressed in Dollars, at which willing sellers and willing buyers, acting at arms length and in the ordinary course of business, are, on the day that the transaction takes place (or, if that day is not a business day, the preceding business day), prepared to purchase or sell (as appropriate for the applicable transaction) any currency issued by authority of the Central Bank of Liberia or any successor governmental agency of Liberia or any relevant currency of another jurisdiction (as the case may be) in New York, New York, U.S.A. and "business day" means a day on which banks are open for normal banking business in New York, New York, U.S.A.

"Product(s)" means the Iron Ore concentrates produced by the Concessionaire under the authority of a Mining License issued pursuant to this Agreement to the extent that such products have commercial value and such product or products are destined for sale by the Concessionaire.

"Production" means the commercial exploitation of Minerals found in the Concession Area and authorized to be exploited under a Mining License issued pursuant to this Agreement and all other activities incidental thereto including the design, construction, installation, fabrication, operation, maintenance and repair of Mining Plant, Infrastructure and any other equipment, and the Mining, processing, stockpiling, transportation, export and sale of such Minerals.

"Production Area" means any of the areas in the Concession Area designated by the Concessionaire as a "Proposed Production Area" in a Mining License issued pursuant to this Agreement.

"Production Exploration" means Exploration to define, localize and quantify known Iron Ore bodies in a Proposed Production Area for the purpose of developing and implementing a plan to Mine such Iron Ore bodies.

"Production Operating Period" means the period of time during which the Mining Plant is being operated, maintained and repaired and the Mining, processing, stockpiling, transportation, export and sale of Minerals is occurring.

"Profound Changes in Circumstances" means such changes, since the relevant base period under Section 30.1, in the economic conditions of the Mineral and Mining industry worldwide or in Liberia, or such changes in the economic, political or social circumstances existing in Liberia specifically or elsewhere in the world at large as to result in such a material and fundamental alteration of the conditions, assumptions and bases relied upon by the parties at such base period that the overall balance of equities and benefits reasonably anticipated by them will no longer as a practical matter be achievable.

"Prohibited Person" has the meaning given in Section 22.6.

"Property List" has the meaning given in Section 25.2(a).

"Proposed Production Area" means an area designated as such in a Mining License issued pursuant to this Agreement.

"Railroad" has the meaning given in Section 6.6(a).

"RAP" has the meaning given in Section 5.4(b).

"Reference Price" has the meaning set forth in Section 15.2.

"Regulations" means the regulations at the time in effect issued by the Minister pursuant to Chapter 21 of the Mining Law.

"Restricted Payment" has the meaning given in Section 20.5(e).

"Retained Area" has the meaning given in Section 4.3

"Revenue Code" means the Revenue Code of Liberia 2000, ("Phase One of the Reform Tax Code") of Liberia, as from time to time amended, supplemented or modified, or any successor revenue code of Liberia.

"Royalty" or "Royalties" has the meaning given in Section 15.1.

"SAFE" means State Administration for Foreign Exchange of the People's Republic of China.

"SAFE Approval" means has the meaning given in Section 20.8.

"SAMREC" means The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves as from time to time in effect. If SAMREC is no longer in effect or no longer defines a term defined herein by reference to SAMREC, the Minister will by regulation after providing the holders of licenses issued under the Mining Law with opportunity to comment provide qualitatively similar sources for or definitions of terms defined in this Agreement by reference to SAMREC.

"SAP" has the meaning given in Section 5.2(c).

"SIA" has the meaning given in Section 5.2(c).

"STDP" has the meaning given in Section 5.2(d).

"Subsequent Railroad Renovations" has the meaning given in Section 6.6(a).

"Subsidiary" means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person and/or one or more of its Subsidiaries.

"Surface Rent" means a fee payable to the Government for the right to explore for or exploit Mineral resources of Liberia.

"Taxes and Duties" means any and all direct and indirect income, profit, gains, capital gains, corporation, dividend, interest, financing, net worth, sales, transaction, payroll, import, export, customs, consul, inspection, value added, consumption, supply, use, turnover, severance, stumpage, cash flow, rental, land rental, Surface Rent, property, stamp, withholding 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 paid to the Government or to any other Person at its directive or pursuant to Law.

"Term" means the term of this Agreement set forth in Section 3.4, as it may from time to time be extended in accordance with the provisions of this Agreement.

"UNCITRAL" means the United Nations Commission on International Trade Law.

"UNCITRAL Rules" has the meaning given in Section 26.1.

"UNMIL Warehouse" has the meaning given in Section 7.6.

"Years" means, for any period of years not otherwise tied to a specific date, a period of years measured from the first day of the month in which the Effective Date falls.

This Agreement shall be read with such changes in gender or number as the context shall require. Headings to the clauses and sections of this Agreement are inserted for convenience only and shall not affect its construction. All references to Law or to any specific laws or regulations of Liberia shall mean such laws and/or regulations as are at the time in effect. References to "Sections," "Appendices," "Schedules" and "Exhibits" without other attribution are references to Sections, Appendices, Schedules and Exhibits forming part of this Agreement.

Unless otherwise stated, a reference to "hereof," "hereunder," "herein," or words of similar meaning, means this Agreement. The words "and" and "or" will include the conjunctive and disjunctive, as the context may require or permit. The word "include" (and any variation of that word) means "including but not limited to." All of the parties having participated in its negotiation and drafting, this Agreement shall not be construed against any party as the drafting party.

SECTION 2 – EFFECTIVE DATE

This Agreement, after having first been signed on behalf of the parties as provided on the signature pages of this Agreement shall become effective and be binding on them on the date (the "Effective Date") of the last to occur of the following events: (i) attestation by the Minister of Justice of the Republic, (ii) ratification by the National Legislature, (iii) approval by the President of the Republic and (iv) publication in handbills.

SECTION 3 – CONCESSION AREA; TERM OF THE AGREEMENT

- 3.1 Concession Area Defined, Obligation of the Government to Hand-Over Concession Area. This Agreement constitutes a grant of rights to the Concessionaire to conduct Operations within the Concession Area, as specified herein. The term "Concession Area" shall mean the following: (a) beginning as of the Effective Date, a portion of Land of approximately 59,000 acres corresponding to the coordinates specified in Schedule 2A attached hereto (the "Initial Concession Area") that shall be expanded (b) on the Additional Concession Area Hand-Over Date, to include an additional surrounding portion of Land of approximately 94,000 acres (the "Additional Concession Area") and that shall be expanded (c) on the Contiguous Area Determination Date to include any Contiguous Area. Following the Additional Concession Area Hand-Over Date, the Concession Area shall consist of a portion of land of approximately 153,000 acres comprised of both the Initial Concession Area and the Additional Concession Area and corresponding to the coordinates specified in Schedule 2B attached hereto, and shall be subject to expansion per addition of a Contiguous

Area under the terms of Section 3.2 below. Effective as of the Effective Date, the Government grants the Concessionaire the exclusive right to use the Initial Concession Area in accordance with the terms of this Agreement. Effective as of the Additional Concession Area Hand-Over Date, the Government grants the Concessionaire the exclusive right to use the Additional Concession Area in accordance with the terms of this Agreement. Effective as the Contiguous Determination Date, the Government grants the Concessionaire the exclusive right to use the Contiguous Area in accordance with the terms of this Agreement. The Initial Concession Area shall be comprised of (a) the "Goma Deposits Area," which consists of the unexplored mineralized areas in and around Goma Peak located east of the North/South coordinated line set forth on Schedule 3.1 and (b) the "Non-Goma Deposits Area," which consists of the mineralized areas in and around Zaweah 1, Zaweah 2 and Bong Peak located west of the North/South coordinated line set forth on Schedule 3.1 as to which the Government estimates contains approximately 304 million tons of Iron Ore. Within 120 days of the Effective Date, the parties will prepare a more detailed description (including metes and bounds) of the Goma Deposits Area and the Non-Goma Deposits Area, which shall be attached to Schedule 3.1.

- 3.2 Contiguous Area. At any time after the Additional Concession Area Hand-Over Date, the Concessionaire may submit in writing a proposal to the Government to acquire additional Land that is contiguous to the Concession Area in accordance with the requirements of the Mining Law and Exploration Regulations (the "Contiguous Area"), which proposal shall include a metes and bounds description of the proposed Contiguous Area, and the Government shall issue a ruling either accepting or rejecting the proposal within 180 days of receipt thereof. The parties agree that such proposal shall not be unreasonably rejected by the Government and should the Government decide to reject the proposed Contiguous Area and the parties fail to reach agreement with respect to establishing a Contiguous Area within 90 days following the Government's initial decision to reject the proposed Contiguous Area, the parties shall submit the matter for resolution pursuant to Section 26. The term "Contiguous Area Determination Date" shall mean the date a Contiguous Area is determined, either by Government acceptance of a proposal or pursuant to Section 26. Beginning on the Contiguous Area Determination Date, the Government shall assist the Concessionaire in acquiring rights to Land within the Contiguous Area, provided that (a) the Government shall provide to the Concessionaire without cost any such Land that is owned by the Government, and (b) the Concessionaire shall undertake at its own expense negotiations for, and acquisition of rights to, any such Land that is not owned by the Government.
- 3.3 Other Minerals. If the Concessionaire or any other Person discovers Minerals other than Iron Ore within the Concession Area, the Concessionaire shall be given the right of first refusal to undertake Exploration, and, as appropriate,

Development and Mining with respect to such other Minerals in accordance with applicable Law (including Section 6.7(c) of the Mining Law).

- 3.4 Term of the Agreement. The Term of this Agreement commences on the Effective Date. The Term of this Agreement is 25 years, subject to earlier termination as provided in this Agreement, and will be automatically extended to match any extension of the term of any Mining License issued pursuant to this Agreement.

SECTION 4 – EXPLORATION RIGHTS

4.1 Exploration Rights.

- a. The Government hereby confirms its estimation set forth in the Bong Range Tender that there are approximately 304 million tons of Iron Ore reserve with a grade of Fe 36.5% located in the Non-Goma Deposits Area. The Concessionaire is hereby granted the right to conduct, and shall conduct, Production Exploration with respect to Iron Ore within the Non-Goma Deposits Area as specified in the Modified Bid Materials, including without limitation in accordance with the timetable set forth therein, and in accordance with the terms of this Agreement and the terms of the Exploration Regulations.
- b. At any time following the Effective Date, within 3 Business Days following the filing of an application therefor that complies with applicable Law, the Government shall issue to the Concessionaire an Exploration License granting the Concessionaire the right to conduct Geological Exploration and Production Exploration with respect to Iron Ore within the Goma Deposits Area in accordance with the terms of this Agreement and the terms of the Exploration Regulations. At any time following the Additional Concession Area Hand-Over Date, within 3 Business Days following the filing of an application therefor that complies with applicable Law, the Government shall issue to the Concessionaire an Exploration License granting the Concessionaire the right to conduct Geological Exploration and Production Exploration with respect to Iron Ore within the Additional Concession Area in accordance with the terms of this Agreement and the terms of the Exploration Regulations. At any time following the Contiguous Area Determination Date, within 3 Business Days following the filing of an application therefor that complies with applicable Law, the Government shall issue to the Concessionaire an Exploration License granting the Concessionaire the right to conduct Geological Exploration and Production Exploration with respect to Iron Ore within the Contiguous Area in accordance with the terms of this Agreement and the terms of the Exploration Regulations. The

Concessionaire shall conduct Exploration pursuant to each Exploration License issued to it pursuant to this Section 4.1(b) in accordance with applicable Law and as specified in the applicable Exploration Work Program, including without limitation in accordance with any timetables set forth therein, and the applicable Exploration Budget.

c. This Agreement shall supersede any conflicting provisions of the Exploration Regulations only to the extent such provisions are (i) enacted following the Effective Date and (ii) are materially more burdensome than the conflicting obligations under this Agreement; provided, however, that, notwithstanding any conflicting provision of the Exploration Regulations, the Concessionaire shall have no obligation to file a work program for Production Exploration in the Non-Goma Deposits Area.

d. The Concessionaire may conduct only such Production Exploration or Geological Exploration as does not require a filing with or application to, or the obtaining of any consent, approval, license or permit from, the EPA unless such filing or application has duly occurred and any such consent, approval, license or permit has been duly obtained. A copy of each such consent, approval, license or permit obtained by the Concessionaire from the EPA shall be promptly filed with the Minister. The Minister may approve the Concessionaire's work program under the Exploration Regulations in the absence of compliance by the Concessionaire with the provisions of the Exploration Regulations relating to filings with the EPA, provided that the Concessionaire's work program includes an "environmental management program" reasonably satisfactory to the Minister.

4.2 Termination of Exploration Rights and Lapse of Exploration Area. On the fifth anniversary of the Effective Date, (i) the rights of the Concessionaire to conduct Exploration in the Goma Deposits Area, the Additional Concession Area and the Contiguous Area shall terminate except as provided in Section 5.1(e) with respect to Exploration conducted in a Proposed Production Area timely designated in accordance with the requirements of Sections 5.1(b) and 5.1(d), and (ii) the Concessionaire shall have no further rights under this Agreement or any prior agreement with, or license or permit from the Government with respect to, any portion of the Goma Deposits Area, the Additional Concession Area and the Contiguous Area, other than any portion thereof that is encompassed by Proposed Production Areas timely designated in compliance with the requirements of Sections 5.1(b) and 5.1(d) or has been designated as a Retained Area pursuant to Section 4.3 (the "Forfeitable Area") and shall forfeit all rights to (x) any Immovable property thereon and (y) any Movable property thereon owned or

leased by the Concessionaire that is not removed from such Forfeitable Area prior to the termination of the Concessionaire's rights under this Section 4.2.

- 4.3 Establishment of Retained Areas. At any time that is between 270 days and 180 days prior to the date set forth in Section 4.2 or Section 5.1(h) for the expiration of the Concessionaire's rights described therein, as applicable, the Concessionaire may give the Government a declaration describing any portion of a Forfeitable Area (including providing a metes and bounds description thereof) that is (x) used by the Concessionaire in connection with Development or Production activities then currently conducted by the Concessionaire with respect to a Mining License Area or reasonably required to be used by the Concessionaire in connection with future Development or Production activities with respect to a Mining License Area, including without limitation for purposes of creating a reasonable "buffer zone" for promotion of health or safety or protection of the environment or (y) used for, or reasonably required to be used for, the Concessionaire's obligations under any SAP or STDP. Such portion shall be designated as a "Retained Area" in the event that the Government does not notify the Concessionaire within 90 days following the date of such declaration that the Government objects to such designation. In the event the Government provides a timely notice of objection, the parties shall attempt to resolve their differences within 30 days of such notice and the Retained Area shall be designated in accordance with the parties' agreement. In the event that the parties fail to reach agreement within such 30 day period, either party may submit their dispute to arbitration pursuant to Section 26. Pending resolution of such arbitration, subject to the provisions of Section 23, the Concessionaire may continue to use that portion of the Forfeitable Area described in the declaration as currently being used by the Concessionaire in the manner being used at the time of delivery of such declaration.

SECTION 5 – DESIGNATION OF PROPOSED PRODUCTION AREAS AND GRANT OF MINING LICENSES

- 5.1 License for Non-Goma Deposits Area; Proposed Production Areas for the Goma Deposits Area, Additional Concession Area or Contiguous Area.

- a. At any time following the Effective Date provided that the Concessionaire has complied with the provisions of Section 5.1(a)(i), within 3 Business Days following the filing of an application therefor that complies with applicable Law, the Government shall issue to the Concessionaire a Mining License with respect to the Mining of Iron Ore within the Non-Goma Deposits Area in accordance with the terms of this Agreement and the terms of the Mining Law.
- i) No later than 90 days following the Effective Date, the Concessionaire shall submit to the Minister for approval a

Feasibility Study with respect to Mining, Mineral processing and related Infrastructure in or for the Non-Goma Deposits Area (the "Non-Goma Deposits Area Feasibility Study"). The Non-Goma Deposits Area Feasibility Study shall be in compliance with the requirements of Section 5.2 through 5.5. The Minister may (i) reasonably request additional information with respect to any aspect of the Non-Goma Deposits Area Feasibility Study, and (ii) reasonably recommend changes in any component of the Non-Goma Deposits Area Feasibility Study. The Concessionaire shall deliver such additional information to the Minister no later than 15 days following such request. The Minister shall be deemed to have approved the Non-Goma Deposits Area Feasibility Study unless the Minister has notified the Concessionaire in writing of his disapproval and the reasons therefor not later than 90 days after the Ministry receives from the Concessionaire the Non-Goma Deposits Area Feasibility Study and related materials substantially complying with the requirements of this Agreement. Following any initial or subsequent disapproval of the Non-Goma Area Feasibility Study and the resubmission by the Concessionaire of an amended, modified or supplemented Non-Goma Deposits Area Feasibility Study, the Minister shall be deemed to have approved the Non-Goma Deposits Area Feasibility Study unless within 60 days after the Ministry receives such amendment, modification or supplement the Minister has notified the Concessionaire in writing of his disapproval and the reasons therefor.

- b. If the Concessionaire identifies potentially exploitable Iron Ore deposits in the Goma Deposits Area, the Additional Concession Area or the Contiguous Area it may designate by notice to the Minister that all or one or more portions of the Goma Deposits Area, the Additional Concession Area or the Contiguous Area, as applicable, is a Proposed Production Area, provided that no such notice may be given at any time following the sixth anniversary of the Effective Date. The Concessionaire may give more than one notice under this Section 5.1(b). Each such notice must set forth
- i) the proposed boundaries of each Proposed Production Area covered by such notice, and
 - ii) the nature, location and estimated quality of the Indicated Iron Ore Resources in, and the Iron Ore proposed to be extracted from, such Proposed Production Area.

Each such notice must be accompanied by (x) the report of a Competent Person setting forth his or her conclusion that the identified Iron Ore deposit(s) constitute Indicated Mineral Resources, and the basis for such conclusion, in the form required by SAMREC for the public reporting of Mineral resources, and setting forth the scope of any Inferred Mineral Resources located within the Proposed Production Area and (y) an application for a Mining License to permit the Mining of such deposits, such application to be in the form required by the Mining Law and such Regulations as are then in effect.

c. Each Proposed Production Area within the Goma Deposits Area, the Additional Concession Area or the Contiguous Area (i) shall consist of such part of the Goma Deposits Area, the Additional Concession Area or the Contiguous Area, as applicable, as in light of International Standards is reasonable, taking into account the extent and nature of Iron Ore deposits that constitute the Indicated Mineral Resources and any Inferred Mineral Resources, for the Mining and recovery of such Mineral Resources, and (ii) shall form a compact block as much as possible, with the borders aligned to the true north-south and east-west.

d. The Concessionaire shall submit to the Government within 60 days following the notice given under Section 5.1(b) detailed maps for the applicable Proposed Production Area, based on actual surveys using the most current technology, that set forth the boundaries and coordinates of the area containing the deposits from which Iron Ore is expected to be Mined, which maps shall be of such scale and contain such detail, including geographical and topographical information, as may reasonably be necessary to identify accurately the boundaries of the Iron Ore deposits and as may otherwise reasonably be required by the Minister, (ii) a Feasibility Study for Operations (other than Exploration) in such Proposed Production Area and (iii) a certificate of the chief executive officer of the Concessionaire dated the date of submission to the effect that (x) the Concessionaire has complied through the date of such certificate in all material respects with its obligations under this Agreement (except as to such defaults in the performance by the Concessionaire of any of such obligations that have been cured to the reasonable satisfaction of, or waived by, the Minister), and (y) the Concessionaire is prepared to develop the Mine, Mining Plant and Infrastructure in the manner set forth in the Feasibility Study (other than as may reasonably be required to respond to facts and circumstances not known to the Concessionaire at the time the Feasibility Study was filed), and setting forth the manner in which the Concessionaire proposes to finance the construction and acquisition of the Mine, the Mining Plant, the Infrastructure and the

related equipment (including the proposed proximate and ultimate sources of such funds).

- e. If the Concessionaire wishes to carry out additional Exploration within a Proposed Production Area it may do so provided that the work is covered by an exploration work program that has been approved under the terms of the Exploration 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
- f. The Concessionaire may apply for renewal of a Mining License not more than three years and not less than one year prior to the date of expiration of thereof.
- g. The Concessionaire may relinquish a Mining License issued pursuant to this Agreement (and be relieved of further obligations under this Agreement) on at least 180 days notice to the Government if (i) on the date of such notice and the date set as the effective date of relinquishment there is no payment default and no other material default unwaived by the Government in the performance by the Concessionaire of its obligations under this Agreement, (ii) the Concessionaire confirms in such notice its obligation to and willingness to carry out the approved closure management plan applicable to the relinquished license, and (iii) the Minister, the Minister of Finance and EPA have reasonably determined that (x) the arrangements made by the Concessionaire for funding the performance of its approved closure management plan are sufficient to secure such performance, and (y) as of the date of termination the Concessionaire has complied with Section 25 in all material respects.
- h. Any Mining Licenses issued with respect to a Goma Deposits Area Mine, an Additional Concession Area Mine or a Contiguous Area Mine shall be terminated on the seventh anniversary of the Effective Date if the Concessionaire shall not have commenced Production with respect to such Mine prior to such date.

5.2 Feasibility Study.

- a. The Concessionaire shall, at its own expense, file with the Minister a feasibility study setting forth a plan for efficient and economic Operations (other than Exploration) in a Proposed Production Area ("Feasibility Study"), prepared by an internationally recognized mine engineering consulting firm not affiliated with the Concessionaire or any of its principal direct or indirect shareholders substantially complying with

Sections 5.2 (b) through 5.7 and in accordance with applicable Law and International Standards.

- b. The Feasibility Study shall include an Environmental Impact Assessment Study Report ("EIA") and an Environmental Management Plan ("EMP") complying with Section 5.3 and applicable Law, as filed by the Concessionaire with the EPA.
- c. The Feasibility Study shall include a Social Impact Assessment ("SIA") and Social Action Plan ("SAP") complying with Section 5.4 and applicable Law.
- d. The Feasibility Study shall include a skills and technology development plan (an "STDP") complying with Section 5.5 and any applicable Law.

5.3 The Environmental Impact Assessment Study Report and the Environmental Management Plan.

- a. The Concessionaire shall prepare an EIA and an EMP in accordance with the Bid Materials and in compliance with applicable requirements imposed by the EPA. The Concessionaire shall additionally prepare a supplemental EIA and a supplemental EMP in compliance with applicable requirements imposed by the EPA regarding any Proposed Production Area covered by an approved Goma Deposits Area Work Plan.
- b. Each EMP must include a closure management plan and a closure management budget designed to ensure that upon closure (i) the Mining Plant and Infrastructure shall not present any health or safety issues (including provision for the control of acid drainage and other long term environmental hazards) and (ii) the Production Area and the surroundings of any Mining Plant or Infrastructure not located in a Production Area shall be restored to productive use or reforested or where restoration is impractical, suitably remediated. The closure management plan must include a list and assessment of risk and any uncertainties associated with the preferred closure option, address the social aspects of closure and rehabilitation, and provide a process for participation by the community and management and monitoring. The closure management budget shall provide a realistic initial estimate of the expected closure cost, broken down by principal activities.
- c. Each EMP must also set forth the means by which the Concessionaire proposes to ensure the availability of funds to finance its environmental restoration and remediation obligations under Sections 8.2



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and 8.3 of the Mining Law so that the cost of closure will be borne by the Concessionaire and not the public or the Government. If the Concessionaire does not agree in writing with the Government to a "pay-as-you-go" funding scheme, then a funding guarantee reasonably satisfactory to the Minister of Finance from a third party financial institution with a long-term credit rating of at least A (or its equivalent) from at least two internationally recognized credit-rating agencies with provision reasonably acceptable to the Minister of Finance and the Minister for redetermination of estimated closure costs at least triennially and adjustments in the amount of the funding guarantee will normally be acceptable. In the case of third party credit support, if the party supplying the funding guarantee no longer has a long-term credit rating of at least A (or its equivalent) from at least two internationally recognized credit-rating agencies, the funding guarantee must provide that if the Concessionaire does not within 90 days thereafter secure a substitute funding guarantee from another third party financial institution satisfying the requirements of this Section, the funding guarantee may be called upon for the maximum amount then available thereunder, subject to the requirement that such amount be deposited in a trust account from which it may be withdrawn only for the purposes of financing the Concessionaire's environmental restoration and remediation obligations.

5.4 Social Impact Assessment and Social Action Plan.

- a. The Concessionaire shall conduct an SIA and produce an SAP in accordance with the Bid Materials. The SIA shall set forth the potential adverse impact of the construction and operation of the Mining Plant and the Infrastructure on the individuals and communities resident in and around (a) such Proposed Production Area and any Mining Plant or Infrastructure not located on such Proposed Production Area, or (b) areas affected by the proposed processing or transport of Product whether using Concessionaire-provided Infrastructure or equipment or facilities or equipment provided by the Government or third parties.
- b. The SAP shall set forth reasonable procedures, in light of the costs involved, for the mitigation of such adverse impact. The SAP shall include a Resettlement Action Plan ("RAP") component if communities located in or adjacent to such Proposed Production Area or to Mining Plant or Infrastructure not located in the Proposed Production Area should under International Standards be resettled for health or safety reasons. The RAP shall provide for (but not be limited to) suitable area(s) of resettlement with key emphasis on shelter and livelihood continuity

- c. The Concessionaire shall hold public hearings on the SIA and the SAP in Monrovia and in Gbarnga, Bong County, and shall provide the Minister with a report the means taken to publicize the hearings, the names and affiliations of the persons who attended such hearings, a summary of the issues raised at such hearings, and a discussion of the actions taken by the Concessionaire in response to such hearings.
- 5.5 Skills and Technology Development Plan. The Concessionaire shall implement an STDP in accordance with the Bid Materials.
- 5.6 Compliance with Bid Materials and Other Plans: Amendment of SAP and STDP; Investment Schedules and Commitments.
- a. The Concessionaire hereby commits that it will undertake all the activities specified in the Modified Bid Materials, all Approved Feasibility Studies, all EMPs, all SAPs and all STDPs, in each case in accordance with the respective timetables and other terms specified therein, except to the extent otherwise required by this Agreement or by applicable Law or as otherwise agreed by the parties in writing. The Concessionaire further agrees that the SAPs and STDPs shall be amended from time to time as requested by the Government, provided, that, without the Concessionaire's prior written consent (which consent may be withheld by the Concessionaire in its sole discretion), the Concessionaire's financial obligations under this Agreement shall not be increased as a result of any such amendment.
- b. All investment schedules and commitments shall be in accordance with the schedules contained in the Modified Bid Materials except as otherwise determined by each Approved Feasibility Study.
- 5.7 Approval of the Feasibility Study and Grant of Mining License.
- a. The Minister may (i) reasonably request additional information with respect to any aspect of the Feasibility Study, and (ii) reasonably recommend changes in any component of the Feasibility Study to the extent the Minister deems the changes necessary to satisfy applicable requirements of this Agreement.
- b. The Minister may not unreasonably withhold approval of the Feasibility Study if:
- i) the Feasibility Study complies with the provisions of the Mining Law and the terms of this Agreement,

- ii) a Competent Person reasonably selected jointly by the Government and Concessionaire has concluded that the basic design and material and operating specifications, the capital expenditure plan and construction schedule included in the Feasibility Study and the Concessionaire's plans are sufficient if implemented as contemplated by the Feasibility Study to support the efficient and economic Operations, processing and marketing of the Minerals proposed to be Mined from such Proposed Production Area,
 - iii) the EIA and the EMP have received the approval of the EPA,
 - iv) the proposed SIA and RAP satisfy the requirements of Section 5.4,
 - v) the proposed STDP satisfies the requirements of Section 5.5,
 - vi) the capital expenditure plan shows that the debt/equity ratio of the investment taking into account initial working capital at commencement should not exceed 3:1. and
 - vii) the Feasibility Study and proposed plan are financially viable.
- c. The Minister shall be deemed to have approved the Feasibility Study unless the Minister has notified the Concessionaire in writing of the reasons for disapproval not later than 120 days after the Ministry receives from the Concessionaire a Feasibility Study and related materials substantially complying with the requirements of this Agreement. Following any such disapproval and the resubmission by the Concessionaire of an amended, modified or supplemented application or Feasibility Study, the Minister shall be deemed to have approved the Feasibility Study unless within 60 days of such amendment, modification or supplement the Minister has notified the Concessionaire in writing of the reasons for disapproval.
- d. Upon the approval of the Feasibility Study, the Minister must grant the Concessionaire a Mining License covering the Proposed Production Area that was the subject of the license application filed under Section 5.1(b), in which case the Proposed Production Area shall become an approved Production Area. Notwithstanding the preceding sentence, a Proposed Production Area may not include land the use of which for Mining operations would violate Section 10.1 of the Mining Law.

SECTION 6 – CONSTRUCTION AND OPERATIONS

6.1 Capital Expenditures: Construction.

a. The Concessionaire shall use commercially reasonable efforts to incur capital expenditures and commence and continue construction, acquisition and installation of the relevant Mines, Mining Plants, Infrastructure and related equipment, all in accordance in all material respects with the Modified Bid Materials and all applicable Feasibility Studies. The Concessionaire shall use commercially reasonable efforts in good faith to cause capacity demonstration tests to occur if sufficient reserves have been found (i) for the Non-Goma Mines, (x) on or prior to the fourth anniversary of the Effective Date (such test, the "Phase I Capacity Test" and such date, the "Phase I Capacity Test Date") and (y) on or prior to the sixth anniversary of the Effective Date (such test, the "Phase II Capacity Test" and such date, the "Phase II Capacity Test Date") and (ii) for each of the Goma Mines, the Additional Concession Area Mines and the Contiguous Area Mines, within the period of time provided in the applicable Approved Feasibility Study. The Concessionaire may not make material changes in the schedules, expenditures, capacity, or other production plans from those set forth in the Modified Bid Materials or applicable Approved Feasibility Study unless it applies for and receives the approval of the Minister, which approval may not be unreasonably withheld.

b. The Concessionaire must deliver, prior to undertaking each required capacity demonstration set forth in Section 6.2,

- i) a certificate of an independent mining engineering firm acceptable to the Concessionaire and the Minister to the effect that (x) such firm has reviewed the Modified Bid Materials or applicable Approved Feasibility Study, as applicable, and the records of the Concessionaire pertaining to such construction, acquisition and installation and has inspected the applicable Mine, Mining Plant, Infrastructure and equipment and (y) based on such review and inspection, such firm believes that the construction, acquisition and installation of such Mine, Mining Plant, Infrastructure and equipment has been completed in accordance in all material respects with the designs, plans and specifications set forth in the Modified Bid Materials or applicable Approved Feasibility Study, as applicable, (except to the extent not scheduled for completion until after the commencement of production of Product(s) in commercial volumes), and
- ii) a certificate of the chief executive officer of the Concessionaire to the effect that the construction, acquisition and installation of the applicable Mine, Mining Plant, Infrastructure and equipment has

been completed in accordance in all material respects with the designs, plans and specifications set forth in the Modified Bid Materials or applicable Approved Feasibility Study, as applicable, (except to the extent any portion thereof is not scheduled for completion until after the commence of production of Product(s) in commercial volumes).

- 6.2 Completion. The Concessionaire shall demonstrate the capacity to produce marketable Product of the quality specified in the Modified Bid Materials in an amount equal to (x) for the Phase I Capacity Test, at least 1 mtpa of concentrate containing TFe 64.5% and 8 mtpa of concentrate containing TFe 65%, and (y) for the Phase II Capacity Test, at least 1 mtpa of concentrate containing TFe 64.5% and 16 mtpa of concentrate containing TFe 65%, in each case as measured by shipments out of the Port Facility over a 30-day period within the six-month period ending on the Phase I Capacity Test Date or Phase II Capacity Test Date, as applicable, subject to delay on account of force majeure. With respect to each of the Goma Mines, Additional Concession Area Mines and Contiguous Area Mines, the Concessionaire shall demonstrate capacity to produce marketable Product of the quality specified in the applicable Approved Feasibility Study, in each case as measured by shipments out of the Port Facility over a 30-day period within the six-month period ending on the relevant date specified in the applicable Approved Feasibility Study. The Concessionaire shall give the Ministry notice of, and the opportunity to have representatives witness, the capacity tests and shall evidence the satisfaction of the required capacity demonstration by the timely delivery to the Minister of a certificate of the engineering firm referred to in Section 6.1 to the effect that the Concessionaire has demonstrated the required capacity (setting out the requirements and the time period covered by the demonstration and certifying specifically as to the actual results of the demonstration). For the avoidance of doubt, the obligations of Concessionaire under this Section 6.2 shall be subject to the relevant Approved Feasibility Study.

6.3 Mining Term Operations.

- a. The Concessionaire shall use commercially reasonable efforts to produce Iron Ore and Products during the Mining Term at the rates contemplated by the Modified Bid Materials and any Approved Feasibility Studies, as applicable.
- b. The Concessionaire may not undertake any activity referred to in Section 6.7(d), 6.7(e) or Section 11.6 of the Mining Law except to the extent expressly provided for in the Modified Bid Materials or any Approved Feasibility Study, as applicable, or covered in any EIA of the Concessionaire and approved in the context of any EMP of the

Concessionaire and, then only within a Production Area or an area in which the Concessionaire is otherwise entitled by Law and by agreement with any relevant Landowner to carry on such activities. The Concessionaire may not transfer to any Person timber removed from the Land pursuant to Section 6.7(d)(4) or 11.6(a) of the Mining Law except in compliance with Law and with the express consent of the applicable Government authorities. For the avoidance of doubt, the Concessionaire 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 Concessionaire, without the Minister's consent, interfere with any water rights enjoyed by any user under any agreement with the Government made prior to the date of execution of this Agreement.

- c. Before entering upon and utilizing any Land, the Concessionaire shall make reasonable inquiries as to the existence of, and shall not use, Land of long standing socio-cultural or sentimental value except with the consent of the officials authorized by Law or by custom to administer or control the affairs of such Land and the approval of the Minister.
- d. All Mining, processing or treatment of Iron Ore by the Concessionaire shall be conducted in accordance with International Standards and applicable Law. The Concessionaire undertakes to use all reasonable efforts in accordance with such standards and Law to optimize the recovery of Iron Ore from each of the Non-Goma Mines, the Goma Mines, the Additional Concession Area Mines and the Contiguous Area Mines, provided it is economically and technically feasible to do so, and on request shall submit evidence to the Minister of compliance with this undertaking.
- e. The Concessionaire must cause each of the Non-Goma Mines, the Goma Mines, the Additional Concession Area Mines and the Contiguous Area Mines and all Mining Plant, Infrastructure and equipment constructed or acquired by it to be maintained throughout the Mining Term in a safe and sound condition in accordance with International Standards.
- f. The Concessionaire may not make any material changes in any of the Non-Goma Mines, the Goma Mines, the Additional Concession Area Mines or the Contiguous Area Mines, Mining Plant or Infrastructure or in the Modified Bid Materials or any Approved Feasibility Study, as applicable, unless it applies for and receives the approval of the Minister to appropriate amendments to the Modified Bid Materials or an Approved Feasibility Study, as applicable.

g. The Concessionaire shall construct and operate each of the Non-Goma Mines, the Goma Mines, the Additional Concession Area Mines and the Contiguous Area Mines, the Mining Plant and the Infrastructure in accordance with the Modified Bid Materials or the applicable Approved Feasibility Study, as applicable, unless it receives the approval of the Minister to appropriate amendments to the Modified Bid Materials or an Approved Feasibility Study, as applicable.

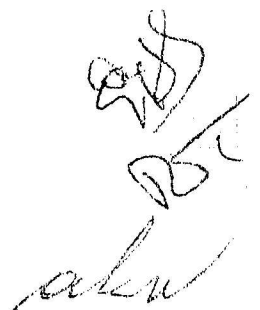
h. In the event of any loss or damage to the property of the Concessionaire, the Concessionaire shall promptly proceed to restore such property to the extent necessary to resume Operations as contemplated by the Modified Bid Materials or the applicable Approved Feasibility Study, as applicable.

i. If the Concessionaire does not itself operate any portion of any Non-Goma Mine, Goma Mine, Additional Concession Area Mine, Contiguous Area Mine, Mining Plant or Infrastructure but instead contracts its operation to a third party, the Concessionaire is responsible to the Government for the compliance of such third party with all requirements of this Agreement applicable to the activities of such contractor as though such Operations were performed by the Concessionaire. The percentage requirements of Section 11.1(a) shall apply to the Operations in the aggregate of the Concessionaire and any such contractor(s). Any such contracting must have been disclosed in the Modified Bid Materials or the applicable Approved Feasibility Study, as applicable.

6.4 Recovery Shortfalls.

a. If the Concessionaire is failing without good cause to produce Product(s) at the rate indicated in the Modified Bid Materials or the applicable Approved Feasibility Study, as applicable, the Government may give notice in writing to the Concessionaire. Within three months of the receipt of this notice the Concessionaire must (a) commence work to improve its Mining method, treatment and processing facilities to the reasonable satisfaction of the Government, provided that the Concessionaire shall in no event be obliged to conduct Mining, processing or treatment activities otherwise than is economically and technically feasible at the time, and (b) submit to the Government evidence that the steps it is taking will lead to compliance with Section 6.3(a) and the second sentence of Section 6.3(d).

b. If the Government remains unsatisfied with the Concessionaire's response to such notice, the Government may



commission an independent technical study to determine a fair average recovery rate taking into account the nature of the reserves then being mined, the nature of the applicable Non-Goma Mine, Goma Mine, Additional Concession Area Mine, Contiguous Area Mine, Mining Plant, Infrastructure and other equipment (assuming they are of the design and quality set forth in the Modified Bid Materials or the applicable Approved Feasibility Study, as applicable, and have been prudently maintained and operated), and the economic and technical feasibility of achieving increased recovery by the Concessionaire in accordance with the standards set forth in Section 6.3(a) and the second sentence of Section 6.3(d). Such study shall be carried out by an independent mining engineering consultant appointed by the Government from a list of three such consultants named by the Concessionaire on the request of the Government. Each of the Government and the Concessionaire may submit information to the consultant. The fees and expenses of such consultant shall be borne by the Concessionaire, but unless the consultant concludes the performance of the Concessionaire's Production is at least 10% less than the fair average recovery rate referred to in the first sentence of this Section 6.4(b), the Concessionaire shall be entitled to offset the fees and expenses of such consultant against Royalties subsequently payable by the Concessionaire under Section 15.1 of this Agreement.

- c. If following the completion of such study, the Concessionaire fails within a reasonable period to achieve the fair average recovery rate indicated by such study, the Government may increase the Royalty applicable to such Products under Section 15.1 in proportion to the extent that recovery of such Products by the Concessionaire is less than 90% of the fair average rate indicated by such studies, provided that at no time shall the payment of such increased Royalty free the Concessionaire from its obligation to satisfy Section 6.3(a) and the second sentence of Section 6.3(d).

6.5 Increasing Liberia-Based Value-Added Production Capacity.

- a. The Concessionaire will work towards and assist the Government in achieving the policy of the establishment or expansion of downstream metals processing facilities in Liberia in relation to smelting, refining and/or metals manufacturing and fabricating (to the extent not already carried out by the Concessionaire pursuant to the Modified Bid Materials or any Approved Feasibility Study) if, in light of recognized economic, technical and scientific standards, the Iron Ore to be mined by the Concessionaire is of sufficient tonnage and is amenable to smelting,

refining or metal manufacturing and provided it is economically and practically feasible to do so.

- b. At any time if the Concessionaire wishes to establish its own smelting, refining or manufacturing facilities in Liberia, it can do so pursuant to applicable Law, provided that any such smelting or refining facilities shall be deemed additional Mining Plant for which the Concessionaire must first submit to the Minister a work plan including appropriate amendments to the existing EIAs, EMPs, SIAs, SAPs and STDPs in accordance with applicable Law and International Standards and obtain the Minister's approval, provided further that the approval by the Minister shall not be unreasonably withheld.
- c. The Concessionaire shall submit to the Minister copies of any studies relating to the feasibility of establishing in Liberia the facilities as described in Section 6.5(a) prepared by or at the direction of the Concessionaire.
- d. In the event that smelting, refining or manufacturing facilities are proposed to be established in Liberia by an entity other than an Affiliate of the Concessionaire for the further processing of products of the type produced by the Concessionaire, the Concessionaire shall agree to make its Product(s) available to that entity for further processing on conditions not less favourable than the conditions that can be obtained by the Concessionaire for such products outside of Liberia. This obligation of the Concessionaire is subject and subordinate to any smelting, refining, manufacturing or marketing contracts with third parties entered into by the Concessionaire prior to the Concessionaire's receipt of a request to commit Product(s) to such facilities, but in the case of any such contract, only for such period of time as the Concessionaire has no right to terminate (or to decline to renew or extend) such contract.

6.6 Railroad, Port and Road Renovations: General Maintenance Obligations.

- a. During the Term of this Agreement, the Government hereby grants the Concessionaire the right to develop, use, operate and maintain the railway linking the Non-Goma Mines to the Port Facility (the "Railroad"), subject to existing third party rights and applicable Law. No later than 5 years after the Effective Date, the Concessionaire shall complete the renovation and extension of the Railroad in accordance with the Modified Bid Materials and the other provisions of this Section 6.6(a) to result in transportation capacity of 12 mtpa of concentrate produced by the Concessionaire plus common carrier freight and passenger service (the "Initial Railroad Renovations"). Should the Concessionaire elect to

designate a Proposed Production Area in the Goma Deposits Area and a Mining License be issued with respect to such Proposed Production Area, no later than 6 years after the Effective Date, the Concessionaire shall extend the Railroad to the Goma Mines in accordance with the Modified Bid Materials and any applicable Approved Feasibility Study with respect to the Goma Deposits Area (the "Subsequent Railroad Renovations"). The Government (i) hereby grants the Concessionaire a right to use all Land necessary for the construction of the Initial Railroad Renovations and the Subsequent Railroad Renovations, provided that such right to use shall be limited in accordance with applicable Law and in a similar manner to the Concessionaire's use of other public Infrastructure referred to in Section 19.7 and (ii) shall take such steps, including without limitation, exercising its powers of eminent domain, to relocate any Occupants of Land located on, and extinguish the rights of Landowners or other third parties to, land that is within a distance of 25 meters from each side of the proposed track of the Railroad for that portion of the Railroad which extends outside the Concession Area to the Port Facility, provided that the Government shall bear the relocation, reimbursement or other costs associated with removing such Occupants of Land or extinguishing the rights of Landowners or other third parties with respect to such land. In addition to the foregoing, the Concessionaire agrees that, upon request of the Government, it shall undertake in good faith negotiations with respect to the further renovation and expansion of the Railroad by the Concessionaire so as to provide capacity for the transport of Minerals or products thereof Mined or produced by third parties, it being understood that the Concessionaire shall be entitled to equitable compensation for any obligations undertaken by it in this regard. The parties agree that should they fail to reach agreement with respect to any such further renovation and expansion within 180 days following the Government's request that the parties enter into negotiations, they shall submit such matter for resolution pursuant to Section 26.

- b. During the Term of this Agreement, the Government hereby grants the Concessionaire the right to develop, use, operate and maintain the Port Facility, subject to third party rights existing as of the Effective Date. Within 120 days after the Effective Date, the Government will provide the Concessionaire a list of such third party rights. The Concessionaire shall complete the renovation of the Port Facility in accordance with the Modified Bid Materials and any other Approved Feasibility Study, as applicable. The Government shall use commercially reasonable efforts to terminate the existing arrangements regarding the use of the Port Facility. The Government shall use commercially reasonable efforts to assist the Concessionaire in acquiring an additional parcel of up

to 2,000 acres of Land outside the Port Facility that is approved by both the Government and the Concessionaire as sufficient to be used for vehicle maintenance, the construction and operation of a railway station and other purposes related to Operations at the Port Facility. The Government shall bear any relocation, reimbursement or other costs associated with removing or reimbursing Landowners, Occupants of Land or other third parties occupying, or holding rights to, any additional such parcel of Land acquired.

- c. No later than 2 years after the Effective Date, the Concessionaire shall complete the renovation of all existing roads in the Non-Goma Deposits Area (the "Non-Goma Roads") in accordance with the provisions of the Modified Bid Materials. Should the Concessionaire elect to designate a Proposed Production Area in the Goma Deposits Area and a Mining License is issued with respect to such Proposed Production Area, no later than 4 years after the date of approval of the applicable Approved Feasibility Study, the Concessionaire shall complete the renovation of all existing road in the Goma Deposits Area (the "Goma Roads") in accordance with the applicable Approved Feasibility Study. The Government hereby grants the Concessionaire a right to use all Land necessary for the renovation of the Non-Goma Roads and Goma Roads, provided that such right to use shall be limited in accordance with applicable Law and in a similar manner to the Concessionaire's use of other public Infrastructure referred to in Section 19.7. The Concessionaire shall renovate, extend and build the Kakata to Hyendi Road in accordance with the Modified Bid Materials.

- d. The Concessionaire shall, during the Term, keep the Infrastructure, the Mining Plant, the Goma Mines, the Non-Goma Mines, the Additional Concession Area Mines, the Contiguous Area Mines and Movables in good repair and condition, except to the extent of wear and use in the ordinary course of the Concessionaire's business. As further set forth in Section 6.10, the Ministry and other agencies of the Government shall have the right to, without prior notice, but at reasonable times of day and without materially interfering with the normal conduct of the Concessionaire's business, visit and inspect any of the facilities and Operations of the Concessionaire in Liberia.

6.7 Third Party Access to Roads, the Railroad and the Port Facility. The Concessionaire shall permit third parties to have access, without charge, to all roads within in the Concession Area. With respect to the Railroad and the Port Facility

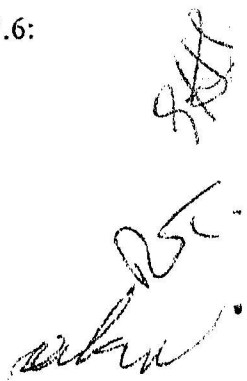
- i) The Government shall, in consultation with the Concessionaire, and on reasonable notice to the Concessionaire, authorize third

parties' use of excess capacity of the Railroad (including the portion of the Railroad located within the Concession Area) and the Port Facility, provided that the Concessionaire confirms that excess capacity exists and third party use of such excess capacity does not unreasonably interfere with the efficient and economic conduct of the Operations.

- ii) The technical and commercial terms for such third party use of the excess capacity of the Railroad and the Port Facility shall be mutually agreed to, in good faith, among the Government, the Concessionaire and such third parties in accordance with applicable use and International Standards, it being understood that third parties shall be treated on a non-discriminatory basis. A formula to proportionately share the revenue fees to be derived from such third party use of the Railroad shall be agreed upon in good faith between the Government and Concessionaire.
- iii) Such third party access and use shall be at no cost to the Concessionaire and all related costs shall be borne by the third party.
- iv) In the event that the Government believes that the Concessionaire is withholding third party access to the Railroad or the Port Facility in contravention of this Agreement, the Government may request a review of the Concessionaire's decision not to grant access. The review shall be heard by the Committee described in paragraph v below.
- v) There shall be constituted a Committee with five (5) members. Two (2) members of the Committee shall be appointed by the Government and two (2) members shall be appointed by the Concessionaire. The final member shall be appointed jointly by the Government and the Concessionaire. The Committee shall hear and review all complaints regarding third party access to, and third party modernization or expansion of, the Railroad and shall forward its recommendations, together with an explanation of its rationale for such recommendations, to the Parties to this Agreement.

6.8 Concessionaire Reporting Requirements.

The Concessionaire shall submit to the Minister (and the Minister of Finance, in the case of Sections 6.8(d) and (f)) the following Production and financial reports, in addition to the financial statements required by Section 17.6:



- a. prior to satisfaction of the capacity demonstration requirement set forth in Section 6.2, a quarterly report on the progress of construction of the Mining Plant and Infrastructure provided for in the Modified Bid Materials or the applicable Approved Feasibility Study, as applicable, indicating progress and expenditures to date, and estimated date of satisfaction of the capacity demonstration requirement;
- b. with respect to each working Mine, a quarterly statistical report beginning with the month in which commencement of the Production Operating Period occurred, setting forth (i) the amount of Iron Ore Mined and processed from each Mine, the amount of process Iron Ore shipped to the Port Facility, the amount of processed Iron Ore exported from the Port Facility and the stocks of processed Iron Ore on hand at the Mines and at the Port Facility at the end of the month, (ii) the number and location of the workings on which work was begun during the preceding month, (iii) the number of workmen employed thereon at the end of the month, (iv) a list of the equipment at each working at the end of the month, and (v) a brief description of the work in progress at the end of the month and of the work contemplated during the following month;
- c. a quarterly operating report, beginning with the calendar quarter in which the commencement of the Production Operating Period, concerning the progress of the Concessionaire's Operations in the Production Areas that are the subject of a Mining License issued pursuant to this Agreement specifying in full:
- i) those workings in which Mineral/ore 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 ore 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; and
 - ii) the work accomplished during the quarter in question with respect to all installations and facilities directly or indirectly related to its exploitation program, together with the work contemplated for the ensuing quarter with respect to the same installations and facilities and indicating both actual and estimated investment in such installations and facilities made, committed or to be committed with respect to such installations and facilities;

- 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 Iron Ore produced and shipped from Liberia or transferred to a third party in Liberia 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 ore 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;
 - ii) with respect to each working Mine, the total volume of Minerals, kind-by-kind, broken down into volumes Mined, volumes transported from such Mine and their corresponding destination, volumes stockpiled at such Mines or elsewhere in Liberia, volumes sold or committed for export (whether actually shipped from Liberia or not), volumes actually shipped from Liberia (with full details as to purchaser, destination and terms of sale), and if known to the Concessionaire after diligent inquiry volumes refined, processed and or manufactured within Liberia with full specifications as to the intermediate products, by-products, or final products, out turned within Liberia (with full showing as to the disposition of such intermediate products, by-products or final products and of the terms on which they were disposed);
 - iii) work accomplished and work in progress at the end of the year in question with respect to all of the installations and facilities related to the production program, together with a full description of all work programmed for the ensuing Financial Year with respect to such installations and facilities including a detailed report of all investment actually made or committed during the year in question and all investment committed for the ensuing Financial Year or Financial Years; and

- iv) a report on all other Production and activities for that Financial Year; and
- f. an annual financial report, beginning with the Financial Year in which the commencement of the Production Operating Period occurred, setting forth the quantity of Iron Ore produced and shipped from Liberia or transferred to a third party in Liberia during the calendar year and the computation of the Royalties paid or remaining to be paid on such shipments or transfers.

The Concessionaire 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 6.8 shall be submitted within 30 days of the end of the quarter in question, and all annual reports required under this Section 6.8 shall be submitted within 60 days of the end of the Financial Year in question. Each report referred to in Sections 6.8(a), 6.8(b), 6.8(c) and 6.8(e) shall be certified as true and correct by the chief executive officer and the chief operating officer of the Concessionaire. Each report referred to in Sections 6.8(d) and 6.8(f) shall be certified as true and correct by the chief executive officer and the chief financial officer of the Concessionaire.

- 6.9 Access to Books and Records. The Operating Company shall maintain at its principal office in Liberia, or at such other offices within Liberia as the Minister may approve, copies of all maps, geological, mining or other earth science reports and mineral analyses (together with all field data which support such reports or data), production records, marketing and financial reports and other data obtained or compiled by the Concessionaire as a result of exploration and/or mining Operations. The Government shall have full access to all such information, data and material, on at least two Business Day's prior written notice to the Operating Company.
- 6.10 Inspection. The Ministry and other agencies of the Government having jurisdiction (such as the EPA and any Governmental entity at the time responsible for employee safety and welfare) shall have the right to monitor the Concessionaire's Operations from time to time and may, without prior notice but at reasonable times of day and without materially interfering with the normal conduct of the Concessionaire's business, visit and inspect any of the facilities and Operations of the Concessionaire in Liberia.
- 6.11 Insurance. At all times during the Mining Term (including during the construction period) the Concessionaire will maintain with financially sound and reputable insurers, insurance with respect to its properties against such 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 in the Republic. The Concessionaire must provide the Government at least annually with evidence as to the existence of such insurance.

SECTION 7 – LAND AND FACILITIES

- 7.1 Rights within Concession Area. The Concessionaire shall have the exclusive right to use the Land within the Concession Area, provided that such right to use shall be limited in accordance with the terms of this Agreement and applicable Law, provided, further that the Government shall have no obligation in respect of the rights of third parties in the Contiguous Area with whom the Concessionaire has negotiated as described in Section 3.2. The Government shall be responsible for all costs associated with the removal and relocation of all Occupants of Land or other Persons within the Additional Concession Area and the release of all rights of Landowners or other third parties to any portion thereof, provided that the Concessionaire will pay the Government US\$100,000 toward compensation for such costs. Any existing assets and facilities of the former Bong Mining Company located within the Concession Area shall be provided to the Concessionaire for the conduct of Operations in accordance with this Agreement, on an “as is, where is” basis and free and clear of all Liens. Schedule 7.1 contains lists of such assets prepared in 1999. The Concessionaire hereby acknowledges and agrees that these lists are being provided to it for information purposes only and that the Government is not making any representation regarding the continued existence of such assets or their present condition.
- 7.2 Surface Rights. Subject to Sections 6.3(b) and (c), the Concessionaire shall have the right, subject to the requirements of applicable Law, to enter upon and utilize Land included in a Concession Area for purposes of and incidental to Operations covered by the relevant license.
- 7.3 Limitation on Exploration and Production. This Agreement may not be construed to permit the Concessionaire to explore for Iron Ore or any other Minerals outside of the Land included in the Concession Area or, following the end of the Exploration period under this Agreement, other than in a Proposed Production Area or actual Production Area, or to produce Iron Ore or any other Minerals from outside an approved Production Area.
- 7.4 Acquisition of Land Use Rights Outside a Concession Area.
- a. To the extent otherwise permitted by applicable Law and relevant Landowners or Occupants of Land, the Concessionaire is permitted to acquire surface Land use rights sufficient to entitle it to

construct, install and operate Mining Plant or Infrastructure provided for in the Modified Bid Materials or in an Approved Feasibility Study on Land located outside of a Concession Area, and the Government will make available to the Concessionaire for such purposes Land owned by the Government and not otherwise required for the achievement of other Government programs, provided that any duty of the Government under this Section 7.4 shall arise only if there is insufficient Land to construct, install and operate the Mining Plant or Infrastructure within such Concession Area. If the Government cannot make available to the Concessionaire surface rights in Land controlled by it for such purposes and the Concessionaire is unable to acquire sufficient surface Land use rights from relevant Landowners or Occupants of Land on reasonable terms and conditions, the Concessionaire may apply to the Government for assistance in acquiring sufficient rights for such purposes. If no other surface rights are reasonably available to the Concessionaire for such purposes the Government will use its powers of eminent domain to obtain such rights from an unwilling Landowner or Occupant of Land.

- b. Surface rights made available by the Government from its own stock of Land shall be made available without cost to the Concessionaire on the condition that the Concessionaire may not utilize such surface rights for any commercial purpose other than the production and sale of Product(s) and the conduct of Operations permitted or required under this Agreement.
- c. All costs incurred by the Concessionaire or by the Government at the request of the Concessionaire in connection with the acquisition by the Concessionaire from parties other than the Government of rights in Land sufficient to permit it to acquire, construct, install and operate Mining Plant or Infrastructure provided for in the Modified Bid Materials or an Approved Feasibility Study shall be for the account of the Concessionaire.

7.5 Acquisition of Land Not Owned by the Government. If the Concessionaire reasonably must acquire Land outside the Concession Area that is not owned by the Government for purposes of and incidental to Operations, the Concessionaire will endeavour to negotiate directly with the relevant Landowners for acquisition of the Land and the Concessionaire may apply to the Government for reasonable assistance in conducting such negotiations.

7.6 UNMIL Warehouse. The Government hereby grants the Concessionaire the right to use the warehouse located within the old Bong Mines area at the Freeport of Monrovia and used by the United Nations Mission in Liberia (the "UNMIL Warehouse"), effective upon the future evacuation from Liberia of the United

States Mission in Liberia, provided that such right to use shall be limited in accordance with applicable Law and in a similar manner to the Concessionaire's use of other public Infrastructure referred to in Section 19.7. The Concessionaire acknowledges that the UNMIL Warehouse shall be made available to it on an "as is" basis.

SECTION 8 – COMMUNITY RESOURCES

- 8.1 Community Responsibility. It is the policy of the Government and the obligation of the Concessionaire that Operations shall be carried out by the Concessionaire in a manner that is consistent with the continuing economic and social viability of centres of population that have formed and which may form as a result of Operations during the term of this Agreement. Upon request of the Government at any time, the Concessionaire shall consult with the Government and the local communities affected by the Concessionaire's Operations to mutually establish plans and programs for the implementation of this objective, and thereafter the Concessionaire shall in good faith cooperate with the Government with regard to its efforts concerning the realization of such plans and programs.
- 8.2 Community Funding Obligation. To that effect, the Concessionaire shall provide an annual social contribution of US\$3.5 million which shall be managed and disbursed for the benefit of Liberian communities in the counties affected by its Operations. The first annual payment shall be made to the general revenue account on the First Payment Date and each subsequent payment shall be made to the general revenue accounts on the anniversary date of the Effective Date. A development committee shall be appointed by or selected in accordance with procedures established by the Government from time to time. Such committee shall develop an annual budget in consultation with the Government and the Concessionaire, and the Government shall make disbursements from the general revenue account in which such funds are deposited in accordance with such budget and the instructions of the committee. The budget and disbursements by the Government shall be public and shall be subject to the same audit procedures provided for expenditures by the Government and as may be further provided by Law. Periodic reports and audit reports shall be made available to the Concessionaire and to the public.

SECTION 9 – PUBLIC HEALTH AND SAFETY

- 9.1 Safety Procedures and Notifications. In connection with Operations, the Concessionaire 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 instruction for its employees) as are in accordance with applicable Law and International Standards. The Concessionaire shall notify the Government promptly of any death

of or serious injury to any employee of the Concessionaire or any of its contractors that occurs as a result of Operations. For the purposes of this Section 9, a serious injury means an injury that is likely to cause the injured Person to lose 3 or more working days.

9.2 Security.

- a. The Concessionaire 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 maintaining law, order and security in each Production Area and in the immediate vicinity of other locations at which Concessionaire has or maintains property and assets through its own security force and to do so always being subject to applicable Law (including all Laws relating to apprehension and detention and human rights) and the "Voluntary Principles on Security and Human Rights" (as of December 2008 located at: <http://www.voluntaryprinciples.org>). Those members of the Concessionaire's (or such contractor's) security force certified by name by the Concessionaire to the Ministry of Justice as being literate, as having received adequate full time training in police and law enforcement procedures given by an outside contractor satisfactory to the Ministry of Justice and as having been provided with operating manuals approved by the Ministry of Justice shall have enforcement powers within the areas described in the preceding sentence, always being subject to applicable Law.
- b. The Concessionaire's security force will have (i) the power of apprehension and detention in accordance with applicable Law, and (ii) the power, subject to applicable Law, to search and exclude or evict unauthorized Persons from the areas described in Section 9.2(a). If any Person is detained by the Concessionaire's security force, the appropriate Government authority must be notified immediately, and the Person detained must be handed over to such authority as soon as practical and in no case later than the earlier of 24 hours from the time of detention or when requested by Liberian National Police. The Concessionaire's security force may not use unreasonable force in detaining, excluding or evicting Persons, whatever the nature of their intrusion, and any detention facilities must be adequately ventilated, reasonably clean and with access to sanitary toilet facilities.
- c. The Concessionaire must coordinate the activities of the Concessionaire 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 Concessionaire security

force, including numbers of persons detained and excluded or evicted, the reason for, the place of and the period of any detention, and the disposition of each detained person.

d. The Concessionaire is fully responsible for the compliance of the members of its security force, whether its employees or the employees of a contractor, with all requirements of this Section and for all consequences of any breach of those requirements.

9.3 Employee Housing. The Concessionaire shall provide housing for its employees and shall ensure that all such housing shall conform to the International Standards, standards required by applicable Law or approved by the Ministry of Public Works, and the applicable requirements of Sections 9.4 and 9.5.

9.4 Sanitation. The Concessionaire shall construct bathroom facilities with a minimum shower and toilet for each unit of Concessionaire-provided housing units. The Concessionaire shall also provide clean and accessible toilet (and, where the nature of the work makes it appropriate shower) facilities at its workplaces.

9.5 Water Supply; Clean and Safe Drinking Water. The Concessionaire shall provide clean and safe pipe borne water system in all Concessionaire-provided housing units. In addition, the Concessionaire shall construct hand pumps or other sources of water at its workplaces that ensure a convenient and uninterrupted supply of clean and safe drinking water. All drinking water shall meet or exceed the approved Government standards for drinking water quality.

SECTION 10 – MEDICAL CARE

During its Operations, the Concessionaire shall maintain and operate or cause to be operated, health facilities to ensure the availability in each Production Area of medical treatment, care and attention in accordance with applicable Law, and such other improved standards as may be agreed between the parties. Such treatment, care and attention shall be free of charge for the Concessionaire's employees and their resident spouses and dependents. Government officials and/or employees assigned to and regularly employed in the Production Area in an official capacity, and resident in or adjacent to the Production Area, and their resident spouses and dependants, shall, during the time of such assignment, employment and residence, also be entitled to receive medical care on the same basis as Concessionaire employees. The Concessionaire shall further provide reasonable access to such health facilities to members of local communities for ambulatory or emergency care. 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.

SECTION 11 – EMPLOYMENT, TRAINING AND FOUNDATION

11.1 Employment.

- a. Employment practices of the Concessionaire must conform to applicable labor practices Law and other applicable Law. The Concessionaire may not hire individuals who are not citizens of Liberia for unskilled labour positions. The Concessionaire must employ and give preference to the employment of qualified citizens of Liberia for financial, accounting, technical, administrative, supervisory, managerial and executive positions and other skilled positions as and when they become available, it being the objective of the parties as soon as is practicable that the Operations of the Concessionaire under this Agreement should be conducted and managed primarily by citizens of Liberia. In furtherance of the Concessionaire's obligations under the preceding sentence, the parties shall agree on progressive implementation of an employment schedule so as to cause citizens of Liberia to hold at least 30% of all management positions, including 30% of its ten most senior positions, within five years of the Effective Date, and at least 70% of all management positions, including 70% of its ten most senior positions, within ten years of such date. Appointment of a citizen of Liberia to a particular position does not preclude subsequent employment of a citizen of another country in such position as long as the percentage requirements are otherwise met.
- b. Subject to Section 11.1(a), the Concessionaire may at all times choose its employees and shall be free to employ such Persons who are not citizens of Liberia as are required for the efficient conduct of Operations in Liberia. Where applicable Law stipulates minimum technical qualifications and/ or minimum levels of competence for any technical post, the Government undertakes to recognise equivalent technical qualifications and/ or certificates of competency held by Persons who are not citizens of Liberia, provided that such qualifications and/ or certificates of competency shall have been issued by a recognised institution or statutory authority in any other country having a substantial mining industry.
- c. Subject to Section 11.1(a) and consistent with applicable Law, the Government, upon request of the Concessionaire or any of its employees, will use reasonable efforts to facilitate the resolution of any dispute that arises between the Concessionaire and any of its employees.

11.2 Training of Liberians. The Concessionaire must provide on a continuing basis for the training of citizens of Liberia in order to qualify them for financial,

accounting, supervisory, managerial, executive positions and other skilled positions and as required by the Concessionaire's Operations provide on-the-job training, operate vocational training facilities, and utilize whatever other measures are necessary and reasonable to achieve the objectives stated in Section 11.1 (including, subject to operational needs and economic conditions, scholarships for qualified employees who are citizens of Liberia to pursue relevant advanced studies abroad).

- 11.3 General Education Funding. The Concessionaire shall (a) provide through a Concessionaire administered program a total of US\$200,000 annually in scholarships, one quarter of such amount to be reserved for students who are permanent residents of the county or counties in which the Concessionaire's Production Areas are located, (b) provide a US\$50,000 contribution annually towards the creation and operation of a Mining and Geology Institute at the University of Liberia for students majoring in mining engineering and geology, the first annual payment to be made on the First Payment Date, and subsequent payments to be made on each anniversary of the Effective Date, and (c) promote graduate training programs in Geology and Mining Engineering or other related disciplines at the University of Liberia or such other state operated higher education institutions and facilitate graduate training of and sponsor exchange programs for said students in universities in other parts of the world (it being understood that such programs should be structured to provide reasonable incentive for such employees to return to Liberia on completion of their training). The amount referred to in clause (b) shall be paid to the general revenue account and earmarked for the University of Liberia.

SECTION 12 -- USE OF LIBERIAN GOODS AND SERVICES

When purchasing goods and services related to the Concessionaire's Operations, the Concessionaire must, and must cause its major contractors to, give preference to the maximum extent possible to materials and goods produced in Liberia and services provided by Liberian 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, provided that such goods and services are at least comparable in quality, terms, delivery, service, quantity and price to goods and services obtainable from other sources. The Concessionaire agrees to require its major contractors to follow the policy of the Government to encourage the purchase of Liberian goods and services as set forth in this Section 12. Subject to the foregoing, the Concessionaire and its major contractors may freely contract with any Person. The Concessionaire must report to the Minister within 60 days following the end of each Financial Year on the extent to which the Concessionaire and its major contractors acquired during such year materials, goods and services from the preferred sources described in the first sentence of this Section.

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SECTION 13 – ENVIRONMENTAL PROTECTION AND MANAGEMENT

- 13.1 The Concessionaire's Duty. The Concessionaire must conduct its Operations in accordance with Sections 8.1 through 8.3 of the Mining Law, other applicable environmental Law, International Standards, the approved EMPs and this Agreement. The Concessionaire must in any event take appropriate preventive measures to protect all streams and water bodies within or bordering Liberia, all dry Land surfaces, and the atmosphere from pollution, contamination or damage resulting from Operations. If the Concessionaire's Operations violate any requirement referred to in the two previous sentences or otherwise damage the environment, the Concessionaire must proceed diligently to restore the environment as much as possible to its original and natural state (or to remediate the damage where restoration is impractical) and must take appropriate preventive measures to avoid further damage to the environment.
- 13.2 Annual Environmental Audit. The Concessionaire must deliver to the Minister, within 60 days after (a) each anniversary of the date of issue to it of a Mining License and (b) the last day of the Mining Term if it does not end on an anniversary of such date of issue, an environmental audit and assessment of the Production Areas under such license plus all areas outside of the Production Areas in which the Concessionaire conducts Operations. The audit must be performed or supervised by an environmental consultant who is not a regular employee of the Concessionaire or an Affiliate of the Concessionaire and who is a registered engineer with at least 10 years of experience in making environmental compliance assessments and audits in the mining industry. The audit and assessment are for the purpose of determining whether the Concessionaire's Operations since the beginning of the current year of the Mining Term are being conducted in conformity with applicable environmental Law and the other requirements of this Agreement and the Concessionaire's approved EMPs. Such audit and assessment will also include an assessment of the status of the Concessionaire's provision for restoration or remediation of the Production Areas and such other areas in which the Concessionaire conducts or has conducted Operations and its conformity with the requirements of the approved EMPs. The audit and assessment must also include a full accounting for all changes during such year in the balance of any account established pursuant to the approved EMPs to fund such restoration and reclamation. If any such audit and assessment for any year identifies any failure to comply with the requirements of Section 13.1 or the applicable EMPs, the Concessionaire must promptly remedy such situation at its own expense.
- 13.3 Government Environmental Inspections. The Minister or the EPA may conduct periodic inspections of the Concession Area (but the failure of either to make any such inspection or ascertain in any such inspection the existence of any breach by

the Concessionaire of its obligations under this Section 13 or the EMP shall not affect the ability of the Minister or the EPA to require full compliance by the Concessionaire with such obligations).

13.4 Updating the EIAs and the EMPs. The Concessionaire shall periodically (not less frequently than every 4 years, or as may otherwise be required by applicable Law) update the EIAs and the EMPs to reflect the actual status of the Concessionaire's Operations at the time, updated risk assessments, any additional requirements of applicable Law generally applicable with respect to Mine closure, and updated estimates of the cost of carrying out the closure management plan. The Concessionaire shall also update the EIAs and the EMPs as a condition to making any material changes in Operations, Mining Plant or Infrastructure. The updated EIAs and EMPs (including an updated closure management plan and budget) are to be submitted to, and are subject to, the review and approval of the EPA in accordance with then-applicable environmental Law. As a condition of approval, the Minister or the EPA may require additional financial assurances or security, including financial deposit, if it determines that such action is required to assure adequate and secure funding of estimated closure costs. The Concessionaire shall in any event comply with its undertakings contained in the most recently approved EIA and EMP.

13.5 Scope of Duty to Cease Operations during Remediation. Any environmental remediation required by applicable Law or this Agreement to occur during the Mining Term, shall not require the Concessionaire to cease Operations during the restoration or remediation period (except to the extent necessary to correct a violation of applicable Law or to carry out such restoration or remediation) so long as the Concessionaire is proceeding diligently to undertake the required restoration or remediation and has ceased any activities that constituted a violation of applicable Law or a breach of the obligations of the Concessionaire under Section 13.1. This Section does not limit the right of the Minister to suspend Operations under Section 23 when Operations are causing environmental damage.

SECTION 14 – TAXATION

14.1 Law of General Applicability. The Concessionaire shall pay all Taxes and Duties pursuant to applicable Law except as otherwise provided in this Agreement.

14.2 Fiscal Regime. Schedule 6 to this Agreement sets forth the Government's proposed fiscal regime for Mining. This regime is set forth as proposed amendments to the Revenue Code and shall be read in conjunction with the Revenue Code as if such proposed amendments were in force for the purpose of determining the liabilities of the Concessionaire under the Revenue Code. Except as specifically provided in Section 14.3 (Special Provisions), Section 15.1

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(Royalties), Section 15.3 (Royalties on Minerals Purchase by the Concessionaire for Sale or Processing and Sale), and Section 15.4 (Surface Rent), the Concessionaire shall pay all Taxes and Duties in accordance with Schedule 6 and as otherwise provided by applicable Law.

14.3 Special Provisions. The following special fiscal provisions shall be applicable to the Concessionaire.

a. The income tax rate applicable to the Concessionaire shall in no case during the first 25 Years exceed 25 percent provided that taxable income shall be computed in accordance with Schedule 6 and otherwise by applicable Law. For the avoidance of doubt, should the Government amend the Revenue Code so as to reduce the rate of income tax below 25 percent, the Concessionaire shall be entitled to the benefit of such a change.

b. The Concessionaire shall during the first 25 Years be exempt from the Surtax on high yield projects imposed by Sections 730-732 of Schedule 6.

c. In lieu of the withholding rates provided by Section 806 of Schedule 6 for non-residents and as provided by the Revenue Code for residents, the Concessionaire shall withhold tax on payments made to non-residents and residents at the following rates for the first 12 Years:

- i) Dividends, 0 percent.
- ii) Interest, 5 percent.
- iii) Payments for services, 5 percent.

Thereafter withholding shall be at the rates provided by Section 806 of Schedule 6 for non-residents and as otherwise provided by applicable Law for residents.

d. As provided by Section 1001 of Schedule 6, the Concessionaire shall be exempt during the first 25 Years from the payment of the Goods and Services tax on capital goods used in (x) the conduct of Operations or (y) the construction and equipping of facilities in connection with performing its obligations under Section 8, Section 9.3 or Section 10.

e. The Concessionaire shall be exempt during the first 25 Years from the payment of export taxes, if any, on Iron Ore.

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f. The Concessionaire shall be exempt from all import duties on all goods related to Production or Operations during the first 10 Years but shall pay customs service (user) fees on any imports not subject to duty as provided in subsection (g) of this Article 14. During the remainder of the Term, the Concessionaire shall pay duties as provided by applicable Law.

g. The Concessionaire shall pay custom user fees as provided by applicable Law on all items not subject to duty, including those items exempted from duty pursuant to subsection (f) of this Section 14.3, provided that such custom user fees shall be capped at \$400,000 per year during the first 10 Years. For the avoidance of doubt, the Concessionaire will not pay the Customs User Fee on those goods for which it is paying import duty.

h. The Concessionaire shall be exempt from real property tax as provided by Section 2009 of Schedule 6 including real property used for Production provided further that the Concessionaire shall be exempt from real property tax on residences or improvement thereon where such residences are primarily utilized by employees.

14.4 Stabilization. The Government hereby undertakes and affirms that at no time shall the rights (and the full and peaceful enjoyment thereof) granted by it pursuant to this Agreement be derogated from or otherwise prejudiced by any Law or the action or inaction of the Government, or any official thereof, or any other Person whose actions or inactions are subject to the control of the Government. To the extent there is inconsistency between the Revenue Code and this Agreement (including Schedule 6), this Agreement shall govern. All matters governed by the Revenue Code (or any similar Law) but not specifically addressed in this Agreement (including Schedule 6) shall be governed by the Revenue Code (or any similar Law) as in effect as of the Effective Date. For the avoidance of doubt, any amendments, additions, revisions, modifications or other changes to the Revenue Code (or any similar Law) made after the Effective Date shall not be applicable to the Concessionaire except as this Agreement specifically provides for the matter to be governed by applicable Law. Furthermore, any future amendment, additions, revisions, modifications or other changes to any Law (other than the Revenue Code (or any similar Law)) applicable to the Concessionaire or the Operations that would have the effect of imposing an additional or higher tax, duty, custom, royalty or similar charge on the Concessionaire shall not apply to the Concessionaire to the extent it would require the Concessionaire to pay such additional tax, duty, royalty or charge.

14.5 Taxation of Associates. Any Associate of the Concessionaire or the Operating Company engaged within Liberia solely in Production or Operations exclusively for the Concessionaire or the Operating Company (other than incidental activity)

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shall be entitled to the same income tax and customs duty treatment as the Concessionaire and the Operating Company, provided that its activities otherwise conform to the requirements of this Agreement applicable to Concessionaire or the Operating Company, including without limitation auditing and reporting provisions. Incidental activity shall be limited to services to the Government, local community groups and residents local to the concession area other than major commercial entities. Such incidental activity, even if for profit, shall not cause such Associate to lose the tax and customs treatment provided pursuant to this Section 14.5 with respect to imports for and income from Production and Operations. The Government shall have the right to treat the Concessionaire, the Operating Company and their Affiliates (but not Associates who are not Affiliates) as a single consolidated entity for purposes of Liberian tax. Any activities of such Affiliates within Liberia that are outside of Production and Operations other than incidental activity shall be disaggregated from the taxable income of the single consolidated entity.

- 14.6 Single Project All Class A Mining licenses granted pursuant to this Agreement may be treated as a single "project" as defined in Section 700(c)(2) of Schedule 6 and a single "mining project" as defined in Section 740 of Schedule 6.

SECTION 15 – ROYALTIES AND SURFACE RENT

15.1 Royalties.

- a. Except as may be provided by amendment to the Revenue Code subsequent to the Effective Date, the Concessionaire shall no later than 30 days following the date of (i) shipment (in the case of exports by the Concessionaire); or (ii) of sale or other disposition (whichever is earlier), in the case of transactions in which the Concessionaire transfers title to Product(s) before the Product(s) leave Liberia, pay to the general revenue account of the Government a royalty for Product(s) in that shipment (or subject to such sale or other disposition) at the percentage rate stated in subsection (b) times the Reference Price for each unit of Product, FOB Liberia (such payment collectively, the "Royalty"). Each payment shall be accompanied by a statement from the Concessionaire showing in such reasonable detail as the Ministry of Finance may require the basis of computation of Royalties due.

- b. The royalty rate for shipments or sales of Iron Ore in any month during the Term shall be as follows: (i) when the Index Price is US\$100 per metric ton or less the royalty will be 3.25%, (ii) when the Index price is greater than US\$100 per metric ton and less than US\$125 per metric ton, the royalty will be 3.5%, (iii) when the Index Price is greater than US\$125 per metric ton and less than US\$150 per metric ton,

the royalty will be 4.0%, and (iv) when the Index Price is US\$150 per metric ton or more the royalty will be 4.5%. The "Index Price" shall be the CVRD spot price FOB Brazil for shipment to China for the same product of equivalent grade and quality produced at Bong.

- 15.2 Advance Pricing Agreement. As provided for in Sections 702(a) and 702(c) of Schedule 6 attached hereto the parties shall enter into an Advance Pricing Agreement no later than one-hundred twenty days after the Effective Date establishing the deemed value of Iron Ore shipped or sold FOB Monrovia for income tax and royalty purposes (the "Reference Price"). The Reference Price shall be equal to the CVRD annual contract price FOB Brazil for shipments to China of the Product adjusted for the quantity, transportation and quality of the same Product produced by the Concessionaire. The Advanced Pricing Agreement shall set out in detail how such adjustments shall be calculated. The Parties hereto agree that if either Party believes the Reference Price established by the Advance Pricing Agreement is no longer representative of arms-length prices for export sales, they will agree upon a new index and methodology for determining the deemed value of the Product(s) which shall be reflected in a revised Advance Pricing Agreement. Failing agreement between the parties, the Reference Price, which shall be an arms-length price for export sales, shall be determined by a single arbitrator as provided by Section 26.4, such arbitrator to be a recognized expert in the pricing of Iron Ore. The Advance Pricing Agreement and any revisions thereof shall be made public as provided in Section 702(c) of Schedule 6.
- 15.3 Royalties on Minerals Purchased by the Concessionaire for Sale or Processing and Sale. Unless otherwise provided in generally applicable regulations issued by the Minister of Finance, Royalties will not be payable by the Concessionaire on purchases of Minerals and materials locally from other parties for processing, smelting, refining or manufacturing by the Concessionaire, provided that the Concessionaire may be required to act as a withholding agent in accordance with generally applicable regulations issued by the Minister of Finance. The Concessionaire shall maintain such records as the Minister of Finance may require with respect to such purchases.
- 15.4 Surface Rent. In lieu of the amounts prescribed by Schedule 6, Surface Rent for all Land within the Concession Area shall be US\$100,000 per year for the first 10 years after the Effective Date and US\$250,000 per year for the next 15 years.
- 15.5 Water Use Levy. The Concessionaire shall not be subject to any water use levy or similar charge for water use in connection with Operations.

SECTION 16 – OTHER PAYMENTS TO THE GOVERNMENT

- 16.1 ECOWAS Trade Levy. The Concessionaire shall be subject to the ECOWAS Trade Levy on all goods from non-ECOWAS states which it imports into Liberia at the rate established by applicable Law.
- 16.2 Inspection Fees. The Concessionaire shall be subject to inspection on all imports and exports. The Concessionaire shall utilize the services of BIVAC or another internationally recognized inspection service. The selected inspection service shall report all information in accordance with the requirements of the Ministry of Finance.
- 16.3 Regulatory Fees. The Concessionaire shall pay such Taxes and Duties (i) as are generally applicable under Law in Liberia with respect to driver's licenses, vehicle registrations, corporate registration, residency and work permits and other such regulatory fees, licenses and permits that arise either from the grant by the Government of regulatory fees, licenses or permits or from the requirement under Law for registration with the Government incident to doing business or conducting activities in Liberia or (ii) as are reasonably related to the cost of providing the service to which the fee applies.
- 16.4 Mineral Development and Research Fund. On the First Payment Date and pursuant to Section 18.4 of the Mining Law, the Concessionaire shall make a one-time payment to the Government of US\$50,000. Such amounts shall be paid into the general account of the Minister of Finance for the Mineral Development Fund.
- 16.5 Other Support. The Concessionaire shall also make an annual contribution of US\$100,000 during the Term of this Agreement, with the first annual payment due on the First Payment Date. Subsequent contributions shall be made on each anniversary of the Effective Date. Such amounts shall be paid into the general revenue account of the Government for the Scientific Research Fund.
- 16.6 Up-front Payment. In consideration of the rights granted to it hereunder, the Concessionaire shall pay the Government US\$40,000,000 in cash, of which US\$20,000,000 shall be paid on the later of 3 days after the Effective Date or 3 days after the issuance of the SAFE approval for purchase of requisite foreign currency ("SAFE Approval") and the remaining US\$20,000,000 shall be paid on the later of 120 days after Effective Date or 3 days after the issuance of SAFE Approval, provided that, prior thereto (i) the Government shall have handed over the Initial Concession Area to the Concessionaire and made the Railroad and Port available to the Concessionaire in accordance with the terms of this Agreement, (ii) the Minister of Justice shall have delivered to the Concessionaire an opinion stating that the Initial Concession Area is free of encumbrances (which opinion

shall be authenticated by a local justice of the peace) and (iii) the fact that the actions described in the foregoing clauses (ii) and (iii) shall have been published.

SECTION 17 – FINANCIAL REPORTING, CURRENCY AND OTHER MATTERS REGARDING PAYMENTS

- 17.1 Accounting. All of the Operating Company's accounting under this Agreement shall be in Dollars and all amounts paid or received, and obligations incurred or transactions carried out, in currency that is Liberian Currency or in any other currency other than Dollars shall be converted to Dollars in accordance with and pursuant to GAAP or IFRS, as applicable, based upon the Prevailing Market Rate of Exchange of Dollars and any such currency at the date of the applicable transaction.
- 17.2 Exchange Control. The Concessionaire shall at all times have the right, without restriction, directly or indirectly, to obtain, hold, deal with and disburse funds in such manner, currencies and places as it chooses. Without prejudice to the generality of the foregoing, the Concessionaire shall have the unrestricted and unencumbered right to sell and receive payment for Product(s) in any currency, including the currency in which the Product(s) are sold, and all proceeds therefrom may be deposited in bank accounts outside of Liberia and held there or remitted therefrom to anywhere in the world, in any currency. Notwithstanding the foregoing, the Concessionaire shall maintain at least one account with a bank or financial institution in Liberia. The Concessionaire shall also have the right to acquire from, and sell to, any Person currency that is legal tender in Liberia at the Prevailing Market Rate of Exchange. Additionally, any and all transactions between the Government and the Concessionaire dealing with or referring to currency that is legal tender in the 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 14 shall be determined by reference to the Prevailing Market Rate of Exchange.
- 17.3 Currency of Payment. Except as otherwise expressly provided in this Agreement, payment of the Concessionaire's obligations to the Government under this Agreement, including obligations for Taxes and Duties payable as a consequence of the Concessionaire's Operations, shall be in Dollars. Any obligation originally stated in Liberian Currency shall be converted to Dollars at the Prevailing Market Rate of Exchange. The Concessionaire shall make payments of sums the Concessionaire collects on behalf of the Government, including, but not limited to, taxes withheld from the salaries or wages of its employees, and any other sums payable to other Persons from which a portion is required by applicable Law to be withheld or retained by the Concessionaire on behalf of the Government, in the currency in which such salaries or wages or such other sums are paid. For purposes of determining compliance by the Concessionaire of required payments

in Liberian Currency under any applicable Law (including without limitation any Law determining minimum wages), the amount of any payment by the Concessionaire made in Dollars shall be converted to Liberian Currency at the Prevailing Market Rate of Exchange as of the date of payment.

17.4 Right to Remit and Receive Payments. The Concessionaire shall have the right to remit and receive in Dollars all payments of dividends, interest, finance charges, principal, management fees and other properly payable items arising from, as a result of, or related to Operations. All remittances and receipts of such payments shall be free of any penalties in connection with such remittances or receipts, any required total or partial surrender, exchange or confiscation of Dollars received or to be remitted, and any other direct or indirect restriction on such remittances or receipts.

17.5 Compliance with LEITI. The Concessionaire shall comply with requirements of the Liberian Extractive Industries Transparency with respect to all payments to be made by it pursuant to this Agreement.

17.6 Financial Statements and Audit.

a. Each of the Concessionaire and the Operating Company shall deliver to the Government within 90 days after the end of each of its respective Financial Years, or within such shorter period as may then be required by applicable Law:

- i) a balance sheet of the Concessionaire or the Operating Company, as applicable, as at the end of such year, and
- ii) statements of income, changes in shareholders' equity and cash flows of the Concessionaire or the Operating Company, as applicable, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, and certified by the chief financial officer of the Concessionaire or the Operating Company, as applicable, as having been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") or International Financial Reporting Standards ("IFRS"), consistently applied except as otherwise noted.

b. Such financial statements shall be accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies

being reported upon and their results of Operations and cash flows and have been prepared in conformity with GAAP or IFRS, consistently applied except as otherwise noted, that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances.

c. Each year's financial statements shall be accompanied by a certificate of the chief financial officer of the Concessionaire or the Operating Company, as applicable, to the effect that during the Financial Year then ended the Concessionaire or the Operating Company, as applicable, was in compliance with (1) Section 20.3, (2) Section 20.5 (setting forth in such certificate the value of the ratio provided for in such Section as at the end of each quarter of such Financial Year) and (3) Section 20.8 (or setting forth the extent of non-compliance at such time (if any) and the actions taken and being taken to remedy such non-compliance), and has made all deposits or contributions (if any) required by the closure management component of the applicable approved EMP.

d. Each year's financial statements shall be accompanied by a listing of all transactions with Affiliates of the Concessionaire or the Operating Company, as applicable, or any of its respective shareholders, whether or not reflected in such financial statements, identifying the amount of the transaction, the Affiliate involved, the shareholder of which such entity is an Affiliate, and the nature of the transaction, certified by the chief financial officer of the Concessionaire or the Operating Company, as applicable, as being correct and complete. Transactions of the same type with the same entity that are individually immaterial may be aggregated rather than separately listed. Each of the Concessionaire and the Operating Company shall maintain contemporaneous documentation of each such transaction with an Affiliate evidencing that the pricing of the transaction was negotiated at arms-length.

e. If the Minister or the Government determines that it is necessary for it to cause an independent review or audit of the Concessionaire's or the Operating Company's own records or books or those of any Affiliate outside of Liberia, the Concessionaire will cooperate to provide the Government with copies of the information, books and records needed to complete the review or audit. If the Government nonetheless deems it necessary for any part of such audit to be performed outside of Liberia, the cost of associated travel will be borne by the Government except to the extent that the Concessionaire or the Operating Company is unable to provide the information, books or records needed to

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complete the audit in Liberia, in which case the Concessionaire or the Operating Company, as applicable, shall bear both the reasonable travel cost of a reasonable number of auditors selected by the Government to travel to the place where such information, books and records may be obtained and their accommodation costs for a reasonable amount of time necessary to complete their review.

SECTION 18 – INCIDENTAL RIGHTS AND OTHER MATTERS

- 18.1 Imports. The Concessionaire may, in accordance with applicable Law, import and use for Operations, and subsequently export, any and all machinery, equipment, vehicles, supplies, consumable items, fuels, petroleum products, explosives and any other thing whatsoever reasonably required with respect to Operations. The Concessionaire must at all times comply with applicable Law regarding the safe use, sale, disposal and security of fuels, petroleum products, and explosives.
- 18.2 Taxes on Resale of Imported Items. The Concessionaire may sell, in Liberia, all imported items that are no longer needed for Operations, except that the Concessionaire may not sell explosives, gasoline or diesel within Liberia to third parties without the Government's consent. If such imported items were exempted in all or in part from Taxes and Duties on import into Liberia, then the Concessionaire must, upon their sale, pay to the Government those Taxes and Duties that would otherwise have been payable under applicable Law on such items and fulfil all formalities required by Law in connection with such sales.
- 18.3 Right to Export Minerals and Other Rights. The Concessionaire (i) may, directly or through appropriate contractual arrangements, market and sell the Product(s) obtained from Operations during the Term of the relevant Mining License to any Person in any country or state, subject in all cases to applicable Law and the provisions of this Agreement, and (ii) subject to its obligations to pay Royalty, Taxes and Duties and such other payments to the Government under this Agreement, may receive all income and proceeds from such sales and deposit them in banks within Liberia and outside of Liberia of its own choosing (provided that the approval of the Central Bank of Liberia for the choice of external bank, if required by applicable Law, shall be obtained in accordance with applicable Law).
- 18.4 Dealership Licenses. The Concessionaire is not entitled to acquire a dealership license under the Mining Law. This restriction does not bar an Affiliate of the Concessionaire from acquiring such a license if the Affiliate does not purchase Minerals or Products from the Concessionaire.

SECTION 19 – ADDITIONAL UNDERTAKINGS OF THE GOVERNMENT

- 19.1 Access to Information. The Concessionaire is entitled to obtain access to all geological or other information relating to the Concession Area that is owned by or subject to the control of the Government, except for information required to be kept confidential pursuant to the terms of applicable Law or specific arrangements with third parties. The Government agrees to provide such information within a reasonable time after receipt of notice of a request for such information. The costs charged by the Government shall not exceed the rates generally charged other holders of Exploration Licenses or Class A mining licenses, as the case may be, for similar information in similar quantities.
- 19.2 Provision of Documents. Subject to Section 11.1 and except to the extent any such Person may be disqualified by applicable Law, the Government shall promptly furnish to each officer, director and employee of the Concessionaire or the Operating Company who is not a citizen of Liberia, and to the spouse and minor children of each such Person, all documents and visas necessary to enable such Person to enter and to leave, or travel within, the territory of Liberia.
- 19.3 Electricity Generation and Transmission.
- a. The Concessionaire is entitled to provide for the installation of electric generating capacity to meet its reasonable needs for conducting Operations in Liberia and in connection therewith to construct necessary Infrastructure in accordance with the Modified Bid Materials, including (i) construction of a heavy-oil power plant, (ii) development of a hydroelectric power plant at station SP1 on the St. Paul River near Hyendi town with a generating capacity of 130 MW (the “Hydro-Power Plant”), and (iii) the purchase of another 100 MW of power from other hydroelectric power plants in the St. Paul River Basin, leading to a total capacity of 230MW of power as a result of the activities described in clauses (ii) and (iii). The Hydro-Power Plant shall be designed, constructed and operated in compliance with the National Power Development Plan for the St. Paul River Basin. The Concessionaire shall provide technical information regarding development plans for the Hydro-Power Plant to the Government’s technical advisors, and shall also enter into additional agreements with the Government and other third party developers regarding technical, operational, ownership and economic matters related to the Hydro-Power Plant. In all cases, the Concessionaire will be subject to the requirements of any applicable Law regulating the manner in which any such facilities shall be constructed and operated for the safety of the public or protection of the environment.

- b. To the extent power is solely for the Concessionaire's own use, (including use in housing constructed by the Concessionaire for its employees and in community facilities constructed or funded by the Concessionaire) the Concessionaire shall have no liability for any franchise, license or similar fees otherwise imposed by applicable Law on or in connection with the generation, transmission or sale of electricity. Except as otherwise restricted by Law, if the Concessionaire produces more electricity than it can utilize, it shall sell the extra production to the Government, and if the Government declines to buy, to other third party users, in each case at a price equal to costs plus a reasonable profit margin to be agreed upon by the Concessionaire and Government. The Minister may impose by regulation such reporting and audit requirements as are reasonable for the fair determination of running and capital costs required by the preceding sentence. To the extent power is sold to third parties in accordance with this Section 19.3, the Concessionaire shall have no liability for any franchise, license or similar fees otherwise imposed by applicable Law on or in connection with the generation or transmission of electricity, but shall be liable for any tax or fees imposed by applicable Law on the sale of electricity, including any service tax.

19.4 Communications Facilities, Systems and Frequencies. Provided that the Concessionaire complies with applicable Law, the Government will use its reasonable efforts to facilitate (a) the receipt by the Concessionaire from the Government of such rights, licenses, registrations, permits and other authorisations as may be required by applicable Law in connection with the possession, use, importation or purchase of such communications systems as are necessary for internal communications, including radio, telecommunications, electronic mail systems, satellite networks, cellular systems, microwave devices and other communications devices and systems, and (b) to the extent available from the Government, the obtaining by the Concessionaire of the right to utilize, at generally available rates, of a number reasonably adequate for Operations of broadcast and communications frequencies for both domestic and international use.

19.5 Expropriation. Subject to Article 24 of the Constitution of Liberia, the Government undertakes not to expropriate except upon payment of prompt and adequate compensation:

- a. any Mining Plant, Infrastructure or other property of the Concessionaire to the extent used in, connected with or affecting Operations; or

b. Minerals the Mining of which is authorized under the Mining License(s) resulting from Operations or the Product(s) derived therefore;
or

c. any equity, shares or ownership interests of whatever nature held in or issued by the Concessionaire.

19.6 Covenant of Quiet Enjoyment. The Government hereby warrants, and defends the Concessionaire's title to, possession and peaceful enjoyment of all rights granted to it by this Agreement, provided that the Government makes no warranty with respect to any claim that may arise out of any rights of third parties in the Contiguous Area with whom the Concessionaire has negotiated as described in Section 3.2.

19.7 Use of Existing Public Utilities and Facilities: Integration with Concessionaire Infrastructure.

a. The Concessionaire may purchase services from public utilities and other facilities (such as toll bridges, airports and harbour facilities) operated or provided by the Government, or by any other Person under license or authority of the Government, to the extent adequate (after taking into account the public use thereof) in the reasonable judgment of the Government to meet the Concessionaire's needs with respect to Operations. The Government shall ensure that all charges for, and other terms and conditions of, the use by the Concessionaire of public Infrastructure are fair and reasonable, taking into account the cost of providing such Infrastructure and the relative availability of alternatives to the Concessionaire and to other users of such Infrastructure. The Government may limit the access of the Concessionaire to any such public Infrastructure to the extent necessary to meet the demands of the general public, but in any such case of insufficient capacity to provide for the needs of both the general public and the Concessionaire (and users similarly situated with the Concessionaire), the Minister and the Concessionaire (and such similarly situated users) shall in good faith consider how additional capacity can be provided in a manner that fairly allocates the additional costs of providing and operating capacity in excess of that required by the general public to the Concessionaire (and others similarly situated).

b. The Government shall use its reasonable efforts to assist the Concessionaire to integrate any item of Infrastructure acquired or constructed by the Concessionaire and described in the Modified Bid Materials or an Approved Feasibility Study with similar existing public utilities or facilities operated or provided by the Government, or by any

other Person under license or authority of the Government, to the extent reasonable in connection with Operations and consistent with the needs of the general public.

- c. The Government reserves the right (either directly or through such state owned or controlled corporations or entities as are permitted by applicable Law to exercise such a right), on reasonable notice to and after consultation with the Concessionaire, to construct roads, highways, railroads, power, telegraph and telephone lines and other lines of communication within the Concession Area or the Production Areas if such action is in the public interest. The Government will take account of the reasonable concerns of the Concessionaire, and seek to minimize any disruption or interruption to the conduct of Operations. In the event of unavoidable disruption or interruption to Operations in a Production Area attributable to such construction, the Government shall compensate the Concessionaire for any verifiable direct, out of pocket additional costs incurred by the Concessionaire and attributable to such disruption or interruption and shall indemnify and hold harmless the Concessionaire from all claims by third parties for damages attributable to the negligence or misconduct of the Government or contractors retained by the Government in connection with such construction.

- 19.8 Indemnification of the Concessionaire and the Operating Company by the Government. The Government shall at all times indemnify and hold harmless each of the Concessionaire and the Operating Company from all claims and liabilities arising out of a breach of the covenant set forth in Section 19.6 or a breach of its representation and warranty set forth in Section 21.2(b).
- 19.9 Non-Discrimination. The Government shall not enact any Law specifically intended to discriminate against the Concessionaire or the Operating Company, or any Affiliates.

SECTION 20 – OTHER UNDERTAKINGS OF THE CONCESSIONAIRE AND THE OPERATING COMPANY

- 20.1 Indemnification of the Government by the Concessionaire and the Operating Company. Each of the Concessionaire and the Operating 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 its Operations (except liability arising or in connection with the environmental or safety hazard existing before the handover of the relevant assets by the Government to the Concessionaire or Operating Company) or as a result of its failure to comply with any Law to which it is subject.

20.2 Books and Records. Each of the Concessionaire and the Operating Company will maintain proper books of record and account in conformity with GAAP or IFRS, as applicable under Section 17.6(a), and with all applicable requirements of Law.

20.3 Subsidiaries; Investments. Except for the Concessionaire's investment in the Operating Company, neither the Concessionaire nor the Operating Company may have Subsidiaries or make investments in others. For the purposes of this Section 20.3, an "investment" includes any investment, made in cash or by delivery of property, by the Concessionaire or the Operating Company, as applicable, in any Person, whether by acquisition of stock, Indebtedness or other obligation or security of any Person, or by loan, guarantee, advance, capital contribution or otherwise in favour of any Person, or in any property other than property, including equity shares, acquired in connection with any Operations described in the Modified Bid Materials or an Approved Feasibility Study. This Section does not limit the ability of the Concessionaire or the Operating Company to invest excess funds in debt instruments, money market funds, or similar obligations issued (in each case) by entities that are not Affiliates of the Concessionaire or the Operating Company, or to make reasonable prepayments and progress payments in connection with the construction of any Non-Goma Mine, Goma Mine, Additional Concession Area Mine, Contiguous Area Mine, Mining Plant or Infrastructure.

20.4 Adequate Capital.

- a. The Concessionaire and the Operating Company, on a consolidated basis, must at all times maintain a ratio of Indebtedness to Net Worth that is equal to or lower than 3:1. Prior to satisfaction of each of the Phase I Capacity Test and the Phase II Capacity Test, the Concessionaire may make no Restricted Payment.
- b. After satisfaction of each of the Phase I Capacity Test and the Phase II Capacity Test, the Concessionaire may not make any Restricted Payment unless after giving effect thereto, the ratio of Indebtedness to Net Worth of the Concessionaire and the Operating Company, on a consolidated basis, does not exceed 3:1. For purposes of this Section 20.5, the amount of any Restricted Payment made in property is be the greater of (x) the fair market value of such property (as determined in good faith by the board of directors of the Concessionaire and of the Operating Company) and (y) the net book value thereof on the books of the Concessionaire and of the Operating 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 Concessionaire and the Operating Company, on a consolidated basis, for borrowed money and the redemption obligations of the Concessionaire and the Operating Company in respect of mandatorily redeemable shares or other securities of the Concessionaire and the Operating Company that are entitled to preference or priority over any other shares of the capital stock of the Concessionaire and the Operating Company in respect of payment of dividends or distribution of assets upon liquidation;
- ii) the liabilities of the Concessionaire and the Operating Company, on a consolidated basis, for the deferred purchase price of property acquired by the Concessionaire or the Operating 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 Concessionaire's or the Operating Company's balance sheets in accordance with GAAP or IFRS, as applicable, under Section 17.6(a) in respect of leases with respect to which the Concessionaire or the Operating Company are required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP or IFRS, as applicable, under Section 17.6(a);
- iv) all liabilities for borrowed money secured by any Lien upon or with respect to any property or asset of the Concessionaire or the Operating Company (whether or not it has assumed or otherwise become liable for such liabilities);
- v) all liabilities of the Concessionaire and the Operating 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 Concessionaire or the Operating Company with respect to liabilities of a type described in any of clauses (i) through (v) hereof.

Indebtedness of the Concessionaire and the Operating Company shall also include all obligations of the Concessionaire and the Operating Company of the character described in clauses (i) through (v) to the extent the

Concessionaire or the Operating Company remains legally liable in respect thereof.

d. "Net Worth" means:

- i) the total assets of the Concessionaire and the Operating Company, on a consolidated basis, which would be shown as assets on a balance sheet of the Concessionaire or the Operating Company as of such time prepared in accordance with GAAP or IFRS, as applicable under Section 17.6(a), minus
- ii) the total liabilities of the Concessionaire and the Operating Company, on a consolidated basis, which would be shown as liabilities on a balance sheet of the Concessionaire or the Operating Company as of such time prepared in accordance with GAAP or IFRS, as applicable under Section 17.6(a),

e. "Restricted Payment" means (i) any dividends or other distributions or payments on capital stock or other equity interest of the Concessionaire or the Operating Company (except distributions in such stock or other equity interest); (ii) the redemption or acquisition of any stock or other equity interests in the Concessionaire or the Operating Company or of warrants, rights or other options to purchase such stock or other equity interests (except when solely in exchange for such stock or other equity interests) unless made, contemporaneously, from the net proceeds of a sale of such stock or other equity interests, including, without limitation, any such action resulting in the acquisition by the Concessionaire or the Operating Company of securities that would constitute treasury stock, or (iii) any payment, repayment, redemption, retirement, repurchase or other acquisition, direct or indirect, by the Concessionaire or the Operating Company of, on account of, or in respect of, the principal of any subordinated debt (or any instalment thereof) issued by the Concessionaire or the Operating Company, any shareholder of the Concessionaire or the Operating Company, or any Affiliate of either.

f. The deductibility or other treatment of any interest payments by the Concessionaire for purposes of Taxes and Duties shall be governed by applicable Law and shall be unaffected by this Section 20.5.

20.5 Provision of Funds. The Concessionaire shall ensure that each of it and the Operating has a prudent capital structure and is provided with adequate funds as and when needed to ensure timely Development and performance of Operations in accordance with and within the limits defined in the Modified Bid Materials

and any Approved Feasibility Study and in compliance with the requirements of Section 20.5.

- 20.6 Transactions with Affiliates. Neither the Concessionaire nor the Operating Company will enter into directly or indirectly any transaction or group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate, except in the ordinary course and pursuant to the reasonable requirements of its respective business and upon fair and reasonable terms no less favourable to it than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate. In addition, any transaction between the Concessionaire or the Operating Company, on the one hand, and an Affiliate or either of them, on the other hand, involving Product(s) shall be on the basis of competitive international prices and such other terms and conditions as would be fair and reasonable had the transaction taken place between unrelated parties dealing at arms' length and shall otherwise comply with Section 15.2.
- 20.7 Jurisdiction of Organization; Maintenance of Existence. The Concessionaire must at all times be a corporation organized under the laws of Hong Kong and shall not be wound up prior to the completion of the closure management plan referred to in Section 5.2(b), provided the Concessionaire may be wound up prior to the completion of such plan if the Concessionaire provides full funding for such plan in the amount and in the manner approved by the Minister of Finance in its sole discretion as sufficient to fund the closure management budget referred to in Section 5.2(b) as well as any other reasonable closure costs.
- 20.8 Application for SAFE Approval. Within 90 days of the Effective Date, the Concessionaire shall obtain the approval of the People's Republic of China State Administration for Foreign Exchange of the first payment due under Section 16.6 of this Agreement and of the first installments of the other payments due under this Agreement (the "SAFE Approval").
- 20.9 Production of Products Other Than Iron Ore Concentrates. Without the prior written approval of the Government, the Concessionaire shall not produce any product containing Iron Ore other than concentrates.

SECTION 21 – REPRESENTATIONS AND WARRANTIES

- 21.1 Representations and Warranties of the Concessionaire. The Concessionaire represents and warrants to the Government as follows:
- a. The Concessionaire is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its

formation, and has the corporate power and authority to execute, deliver and perform its obligations under this Agreement.

- b. This Agreement has been duly authorized by all necessary corporate action on the part of the Concessionaire, and this Agreement constitutes a legal, valid and binding obligation of the Concessionaire enforceable against the Concessionaire in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- c. Schedule 21.1(c) contains (except as noted therein) complete and correct lists or tables setting forth:
- i) the Concessionaire's Shareholders,
 - ii) the Concessionaire's and each shareholder's Affiliates showing forth, in each case, its relationship to the Concessionaire or the Shareholder and the jurisdiction in which it is organized,
 - iii) the directors and senior officers of the Concessionaire, each shareholder of the Concessionaire, and each Person or Group deemed to Control the Concessionaire, and
 - iv) each Person or Group that is the ultimate beneficial owner of 5% or more of (x) the voting rights ordinarily empowered to control the management of the Concessionaire or (y) the rights to share in the profits of the Concessionaire, and the chain through which such rights are exercised.
- d. None of the Affiliates, directors, officers or other Persons identified in Schedule 21.1(c) is a Prohibited Person and the Concessionaire, each of its shareholders and each of their respective officers and directors is an "Eligible Applicant" under the Mining Law.
- e. The execution, delivery and performance by the Concessionaire of this Agreement will not (i) contravene, result in any breach of, or constitute a default under any agreement or instrument to which the Concessionaire is a party or by which or any of its properties are bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or governmental authority applicable to the

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Concessionaire or (iii) subject to the issuance of the SAFE Approval, violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Concessionaire.

- f. There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Concessionaire, threatened, against or affecting the Concessionaire or any property of the Concessionaire in any court or before any arbitrator of any kind or before or by any governmental authority that call into question the right of the Concessionaire to enter into and perform its obligations under this Agreement or that would, if resolved against the Concessionaire, would materially adversely affect its ability to perform its obligations under this Agreement.
- g. Except as has previously been disclosed to the Minister and the EPA in writing, neither the Concessionaire nor any Affiliate of the Concessionaire has been determined under any order, judgment, decree or ruling of any court, arbitrator or governmental authority to be in material violation of (i) any applicable law, ordinance, rule or regulation relating to the protection of the environment of any governmental authority or (ii) any agreement pursuant to which it is entitled to extract Minerals or hydrocarbons under the laws of any jurisdiction.
- h. The Concessionaire has the experience, finance, expertise, technical know-how and systems required for the conduct of the activities contemplated by this Agreement.
- i. None of the Concessionaire, any Affiliate of the Concessionaire or any Person acting on behalf of the Concessionaire or any Affiliate of the Concessionaire has made or promised to make any payment or transfer of anything of value, directly or indirectly, to or for the benefit of an Official or an Official's family member or to an intermediary for payment to or for the benefit of an Official or an Official's family member in connection with this Agreement or the transactions contemplated hereby. (For the purposes of this paragraph, "Official" means any employee or officer of the Government, including any regional or local department or agency thereof, any enterprise owned or controlled by the Government, any official of a political party in Liberia, any official or employee of a public international organization, any other person acting in an official capacity for, or on behalf of, any such entity, or any candidate for political office in Liberia.)

21.2 Representations and Warranties of the Government. The Government represents and warrants to the Concessionaire and the Operating Company as follows:

a. On the Effective Date, the execution, delivery and performance of this Agreement will have received all necessary governmental approvals and authorizations and will constitute the legal, valid and binding obligation of the Government.

b. ✓ Any portion of the Concession Area granted to the Concessionaire shall be state owned land, free and clear of all Liens and other rights of third parties as of the date the use of that portion of the Concession Area is granted to the Concessionaire pursuant to Section 3.1, provided that the Government makes no representation or warranty hereunder in respect of the rights of third parties in the Contiguous Area with whom the Concessionaire has negotiated as described in Section 3.2.

SECTION 22 – ASSIGNMENT, ENCUMBRANCE AND CHANGE OF CONTROL

22.1 General Rules. Except as provided in this Section 22, (a) no sale, assignment, pledge or other transfer of the rights of the Concessionaire or the Operating Company under this Agreement or under any Exploration License or Mining License issued under this Agreement, by operation of law or otherwise, (b) no direct or indirect transfer of Management Rights with respect to the Concessionaire or the Operating Company, or of the right to share in profits of the Concessionaire or the Operating Company, by operation of law or otherwise, and (c) no transfers by the Concessionaire or the Operating Company other than in the ordinary course of renewal and replacement of its properties of any interest in any Non-Goma Mine, Goma Mine, Mining Plant or Infrastructure to any Person is valid unless it has received the prior written consent of the Government. Terms used in this Section 22 are defined in Section 22.9.

22.2 Transfers to Operating Company. The Concessionaire may appoint the Operating Company to conduct the Operations on its behalf in accordance with the terms and conditions of this Agreement and of any operating or other agreement between the Concessionaire and the Operating Company (the "Bong Project Operating Agreement"), provided, that at all times the Operating Company shall be a wholly-owned subsidiary of the Concessionaire and shall be incorporated in Liberia. Prior to the Effective Date, the Concessionaire shall deliver to the Government a complete and accurate copy of the Bong Project Operating Agreement and subsequent to the Effective Date, the Concessionaire shall deliver to the Government a complete and accurate copy of any and all amendments to the Bong Project Operating Agreement, in each case within 3 Business Days after

the effective date thereof. All rights, obligations and undertakings of the Concessionaire provided in this Agreement in connection with the Operations shall be deemed assigned to and assumed by the Operating Company to the extent applicable and appropriate for purposes of conducting the Operations and, except for any provision of this Agreement that specifically refers to the Operating Company, for purposes of this Agreement, other than in this Section 22, the term "Concessionaire" shall be deemed to mean the Operating Company when referring to any activities undertaken by the Operating Company pursuant to the Bong Operating Agreement, provided that the Operating Company may not engage in any transaction described in Section 22.3 or 22.4 without the prior consent of the Government.

22.3 Other Transfers Permitted Without Prior Consent.

- a. The transfer of rights under this Agreement and under any Exploration License or Mining License issued under this Agreement as a consequence of a merger or consolidation of the Concessionaire with another entity does not require such consent if the transaction does not result in a Change of Control, the surviving entity is a corporation organized under the laws of Hong Kong that delivers to the Minister concurrently with such merger or consolidation written representations and warranties as to such corporation as set forth in Section 21.1 immediately after giving effect to such merger or consolidation and assumes in a writing satisfactory to the Government all liabilities of the Concessionaire under this Agreement and under any Exploration License or Mining License issued under this Agreement, and (i) the survivor is an "Eligible Applicant" under the Mining Law and a Permitted Transferee under Section 22.6, and (ii) the survivor has in the reasonable judgment of the Minister the technical skills, experience, and financial resources necessary to carry out its obligations under this Agreement and under any such Exploration and Mining Licenses.
- b. A transfer by the Concessionaire of all of its interest in this Agreement and under any Exploration License or Mining License issued under this Agreement and to the related Mine, Mining Plant and Infrastructure to an Affiliate of the Concessionaire at a time at which the Concessionaire is not in default in the performance of its obligations under this Agreement does not require such consent if the beneficial owners of the right to share in profits of the Affiliate and the holders of Management Rights with respect to the Affiliate are the same as for the Concessionaire immediately prior to such action, the Affiliate that delivers to the Minister concurrently with such transfer written representations and warranties as to such corporation as set forth in Section 21.1 made immediately after

giving effect to such transfer and assumes in a writing satisfactory to the Government all liabilities of the Concessionaire under this Agreement and such Mining Licenses, and (i) the Concessionaire remains jointly and severally liable for the performance of its obligations under this Agreement, and (ii) the transferee is an "Eligible Applicant" under the Mining Law and a Permitted Transferee under Section 22.6.

- c. A direct or indirect transfer of Management Rights in the Concessionaire independently of any transfer or purported transfer of any interest in this Agreement and under any Exploration License or Mining License issued under this Agreement does not require such consent if it does not result in a Change of Control, or in a Prohibited Person acquiring Management Rights in the Concessionaire.
- d. A direct or indirect transfer of any right to share in the profits of the Concessionaire does not require such consent if it does not result in a Prohibited Person or the members of the immediate family of such Prohibited Person being deemed entitled to receive in excess of 5% of the profits of the Concessionaire.

22.4 Transfers with Consent. Any other transfer referred to in Section 22.1 and not covered by Section 22.5 requires the prior written consent of the Government, provided that the consent of the Government shall not be unreasonably withheld in the case of a transfer after completion of both the Phase I Capacity Test and Phase II Capacity Test as described in Section 6.2 of all of the Concessionaire's interest under this Agreement, under any Exploration License or Mining License issued under this Agreement and all Mining Plant, Infrastructure and other property of the Concessionaire used in connection with this Agreement at a time at which the Concessionaire is not in default in the performance of its obligations under this Agreement if the transferee delivers to the Minister concurrently with such transfer written representations and warranties as to such corporation as set forth in Section 21.1 made immediately after giving effect to such transfer and assumes in a writing satisfactory to the Government all liabilities of the Concessionaire under this Agreement and such Exploration and Mining Licenses, and (a) the transferee is an "Eligible Applicant" under the Mining Law and a Permitted Transferee under Section 22.6 and (B) the transferee has in the reasonable judgment of the Minister the technical skills, experience, and financial resources necessary to carry out its obligations under this Agreement and such Exploration and Mining Licenses.

22.5 Right to Encumber.

- a. Each of the Concessionaire and the Operating Company may mortgage, charge or otherwise encumber (collectively, "Mortgage") all or

any portion of its interest under this Agreement and under any Exploration License or Mining License issued under this Agreement to finance a portion of the cost of constructing and acquiring any Non-Goma Mine, Goma Mine, Additional Concession Area Mine, Contiguous Area Mine, Mining Plant, Infrastructure and other property contemplated by the Modified Bid Materials or any Approved Feasibility Study upon receipt of prior written consent thereto from the Government. Other than in the case of Permitted Liens, (a) the Mortgage must extend to all rights of the Concessionaire, or the Operating Company, as applicable, under such Exploration or Mining Licenses and to substantially all of such Non-Goma Mine, Goma Mine, Additional Concession Area Mine, Contiguous Area Mine, Mining Plant, Infrastructure, and other property (including intellectual property) necessary for Operations ("Pledged Assets"), and (b) the holder of such Mortgage must agree in writing with the Government to the terms of this Section 22.5 and to any transfer restrictions set forth in such Exploration and Mining Licenses. Subject to its confidentiality rights under this Agreement, the Government will provide the Concessionaire, the Operating Company and any lender with such documents as any of them shall reasonably request in connection with any transaction with respect to such Mortgage.

- b. Any foreclosure or other exercise of remedies under such Mortgage must result in a transfer of the rights of the Concessionaire, or the Operating Company, as applicable, under this Agreement and the Pledged Assets to a single Person who satisfies all the requirements for an assignee set forth in the proviso contained in Section 22.4.
- c. "Permitted Liens" shall mean Liens created solely for the purpose of securing Indebtedness incurred to finance or refinance the purchase price or cost (including the cost of installation, repair, or improvements) of Movable assets acquired after the Effective Date (by purchase or otherwise), including after acquired inventory, equipment, or other tangible or intangible Movable assets, provided that no such Lien shall extend to or cover any assets other than the assets so acquired and improvements thereof.

22.6 Permitted Transferee. A "Permitted Transferee" is a Person defined as such in regulations issued by the Government specified as being for the purpose of identifying eligible recipients of Mining Licenses issued under the Mining Law.

Pending the issuance of such regulations, a Person is a "Permitted Transferee" if (i) it is not a Prohibited Person, does not have an officer or director who is a Prohibited Person, and is not controlled by a Prohibited Person, and (ii) no Person or Persons holding in the aggregate (x) in

excess of 5% of the voting rights ordinarily empowered to control the management of such Person or (y) in excess of 5% of the rights to share in the profits of such Person is or are Prohibited Persons. A "Prohibited Person" for the purposes of this Section 22.6 is a Person identified as such in regulations issued under the authority of the Ministry of Finance and the Ministry of Justice and applicable to the holders of licenses issued under the Mining Law. Pending the issuance of such regulations, a "Prohibited Person" is a Person with whom transactions are currently prohibited under any Sanctions List published by a Sanctions Committee of the United Nations Security Council or any equivalent measure issued by the World Bank, the European Union or the United States of America, or any Person that issues bearer shares or other instruments to evidence ownership of such Person that do not permit the identification of the owners of such Person.

22.7 Responsibility of Concessionaire. It is the responsibility of the Concessionaire and its Controlling Persons to ensure that Management Rights with respect to the Concessionaire and the rights to share in the profits of the Concessionaire are structured and held in such a manner that transfers of such rights are made in compliance with this Section 22.

22.8 Disclosure; Consents; Exceptions; Fees.

- a. If the Minister questions whether a transfer occurred without a required consent, the relevant transferor has the burden of demonstrating that consent was not required.
- b. A transfer does not comply with the requirements of this Section 22 if any representations and warranties required to be delivered in connection with such transfer were not true and correct as of the date as of which they were made.
- c. If the Concessionaire or the Operating Company determines that a transfer occurred that did not comply with this Section 22, and reports such transfer to the Minister promptly thereafter, the Concessionaire or the Operating Company, as applicable, is not in breach of its obligations under this Section 22 if within 60 days of such report it takes such actions as will result in such unpermitted transfer being reversed or otherwise remedied to the satisfaction of the Minister.

22.9 Terms used in Section 22. For the purpose of this Section 22:

- a. a "Change of Control" with respect to the Concessionaire occurs if a Person or Group other than the Person or Group that had

Control of the Concessionaire at the time it executed this Agreement was granted acquires Control of the Concessionaire, or if there is a Change of Control within the Group that Controls the Concessionaire;

- b. a "Change in Control" within a Group is deemed to occur if there is a change in the beneficial ownership of at least 33 1/3% of the Management Rights of the Concessionaire held within such Group (including both a change that comes about by expansion of a Group and a change that comes about through a transfer of Management Rights within a Group);
- c. a "Controlling Person" is a Person who Controls the Concessionaire or who is a member of a Group that Controls the Concessionaire;
- d. a "holder" of a Management Right includes any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares the power to direct the exercise of such Management Right;
- e. a Person holding the right to share in distributions from a Person that holds a right to share in the profits of the Concessionaire has the right to share in the profits of the Concessionaire if the second Person passes through distributions from the Concessionaire to the first Person without reflecting in the distribution its own income and expenses, or if the right to share in the profits of the Concessionaire represents a principal asset of the second Person.
- f. if a trust or other entity holds the rights to share in the profits of a Person, the beneficiaries of such trust are deemed to hold the rights to share in the profits of that Person.

If Person A Controls Person B, and Person B has a 25% voting interest in the Concessionaire, then Person A is deemed to hold 25% of the Management Rights in the Concessionaire. And if Person Z Controls Person A, then Person Z is deemed to hold 25% of the Management Rights in the Concessionaire, and a transfer of Person Z's rights to a third party is within the scope of Section 22.2(c). But if there is no Person (or Group) that Controls Person B, then the Concessionaire does not have to look beyond Person B for persons who may be said to have Management Rights with respect to the Concessionaire.

Similarly, if Person A is entitled to a 10% share of the profits of Person B, and Person B's sole asset is a 25% interest in the Concessionaire, then Person A is deemed to hold the rights to share in 2.5% of the profits of the Concessionaire.

SECTION 23 – SUSPENSION

- 23.1 Power of Minister to Suspend Work. The Minister may order the suspension of all or the relevant portion of any Operations being carried on by the Concessionaire under the authority of this Agreement or any Exploration License or Mining License issued pursuant to this Agreement if any of the following events or conditions relating to the Concessionaire has occurred and is continuing:
- a. the Concessionaire did not pay Surface Rent when due and the failure is not cured within 30 days after the Concessionaire receives notice of the failure from the Minister or the Minister of Finance; or
 - b. the Minister has determined that continuation of such Operations would constitute a material continuing violation of Section 9.1 or would otherwise pose significant risks to the health and safety of workers engaged in or affected by such Operations or of individuals residing in or near any Production Area or any other area in which the Concessionaire is conducting Operations; or
 - c. an environmental assessment and audit under Section 13 has demonstrated, or the Minister or the EPA, as the case may be, has determined, that there exist material failures to comply with any approved EMP and the Concessionaire has not remedied such failures to the reasonable satisfaction of the Minister or the EPA, as the case may be, within 60 days from notice to the Concessionaire from either of them as to the nature of such failures; or
 - d. any representation or warranty of the Concessionaire made in writing to the Minister proves to have been false or incorrect in any material respect on the date as of which made; or
 - e. the Concessionaire is in violation of Section 6.3(b) or (c) (other than an isolated immaterial violation); or
 - f. the Concessionaire is conducting Mining Operations outside of the Production Area that is the subject of the Mining License; or
 - g. the Concessionaire is in breach of any its obligations under Section 17.6, 20.3, 20.5 or 20.7 and has not cured such breach within 60 days after receiving notice from the Minister of such breach; or
 - h. the Concessionaire is in default of its obligation to pay Royalties under Section 15.1 in excess of US\$100,000, and such default

has not been cured within 30 days after notice from the Minister or the Minister of Finance.

- 23.2 Order Suspending Work. Except as provided in the following sentence, a suspension order must be in writing and signed by the Minister, and will be effective the Business Day following its receipt by the Concessionaire at its address for notices, or, if delivered to a field office or other location at which the Operations to be suspended are being performed and at which a person with supervisory responsibilities is present, is effective on delivery. An order of suspension based on a violation of Section 9.1 that has resulted in (or is determined by the Minister to create a serious risk of resulting in) death or severe personal injury may be given by telephone confirmed in writing within 24 hours, and is effective immediately. Any suspension order (except a telephone order under the preceding sentence) must set forth in a summary manner the facts relied upon for the issuance of the order and the name, location and telephone number of a responsible person at the Ministry (or the Ministry of Finance, as the case may be) who may be contacted for additional information. Neither the Concessionaire's payment obligations under nor the term of this Agreement or the term of the relevant Mining License are suspended by an order of suspension under this Section.
- 23.3 Compliance with Suspension Order. The Concessionaire must comply with an order of suspension properly given under this Section 23 until such order is withdrawn (or deemed withdrawn) pursuant to Section 23.4 or is directed to be withdrawn pursuant to a final administrative order in a hearing held pursuant to the Administrative Procedure Act of Liberia, or a final order in a judicial proceeding, or pursuant to an arbitration under Section 26.
- 23.4 Resumption of Work. The Concessionaire at any time submit a request that a suspension order be withdrawn, setting forth in reasonable detail the facts and circumstances relied upon to demonstrate the elimination or correction of the event or condition that supported the issuance of the order. The Minister must withdraw the order if the event or condition no longer exists or has been remedied to the reasonable satisfaction of the Minister. If within 10 Business Days of receiving such submission the Minister neither grants such request nor notifies the Concessionaire of the reasons for not granting such request, the order involved will be deemed withdrawn. If within 5 Business Days of receiving a resubmitted request for withdrawal of the same order, the Minister does not either grant such request or give notice to the Concessionaire setting forth reasons for not granting such request, the order involved will be deemed withdrawn. The initial and each subsequent resubmission (if any) shall be conspicuously marked to show all changes (additions and deletions) from the previous submission.

SECTION 24 – TERMINATION

- 24.1 Government Event of Default. A “Government Event of Default” shall exist if the Government shall have failed in a serious and prolonged manner to comply with its material obligations under this Agreement and such failure is continuing for more than 90 days after notice thereof to the Government from the Concessionaire or any representation or warranty of the Government continued in Section 21.2 proves to be false or incorrect in any material respect on the date as of which made.
- 24.2 Concessionaire Events of Default. A “Concessionaire Event of Default” shall have occurred if any of the following conditions or events shall occur and be continuing:
- a. the Concessionaire shall have failed to make either of the payments due under Section 16.6.
 - b. the Concessionaire shall have failed to make any payment due under Section 15.4 and such failure is not cured within 150 days of notice from the Minister or the Minister of Finance; or
 - c. the Concessionaire shall have failed to make any other payment due under this Agreement, any Exploration License or Mining License issued pursuant to this Agreement or any undertaking of the Concessionaire 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
 - d. any representation or warranty of the Concessionaire contained in Section 21 proves to have been false or incorrect in any material respect on the date as of which made; or
 - e. the Concessionaire shall default in the performance of its obligation under Section 20.8; or
 - f. the Concessionaire shall default in the performance of any other obligation of the Concessionaire under this Agreement, any Exploration License or Mining License issued pursuant to this Agreement or any undertaking of the Concessionaire provided for in this Agreement and shall have failed to cure such default (x) within 60 days after notice thereof from the Minister or from the Minister of Finance, or (y) in the case of a failure to pay any Taxes and Duties within the grace period provided by applicable Law; or

- g. the Concessionaire 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 its assets, (iii) commence any proceedings for its bankruptcy, reorganisation, arrangement (other than a scheme of arrangement not involving an insolvent Concessionaire) or insolvency under any laws applicable it 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 it bankrupt or insolvent, or approving the petition in any such proceedings, permit such order to remain in effect for more than 90 days.

24.3 Nature of Notice of Default. Any notice of an alleged Event of Default by either party shall identify with reasonable clarity the principal provision or provisions with respect to which the default arises and the facts alleged to constitute such default.

24.4 Notice of Termination: Termination When a Mortgage Exists: Arbitration of Disputes as to Existence of Event of Default.

- a. If an Event of Default with respect to a party has occurred and is continuing, the other party may give the defaulting party notice of termination. This Agreement and each Exploration License and Mining License issued pursuant to this Agreement shall terminate 30 days after receipt of such notice by the defaulting party (or at such later time as may be provided in such notice), subject to Sections 24.4(b) and (c).
- b. If a Mortgage permitted under Section 22.5 exists, the notice of termination will not be effective so long as the Concessionaire or the Operating Company, as applicable, the holder of the Mortgage and the responsible officer of any relevant tribunal are diligently seeking to transfer the rights and obligations of the Concessionaire or the Operating Company, as applicable, under this Agreement, the Mining License, any Non-Goma Mine, any Goma Mine, any Additional Concession Area Mine, any Contiguous Area Mine and substantially all of the Mining Plant, Infrastructure and related property of the Concessionaire to a transferee that would be permitted under Section 22.3 so long as (i) such a transfer is completed within 18 months from the commencement of such proceedings, (ii) the Operations of the Concessionaire or the Operating Company, as applicable, continue on a commercial scale throughout such period (subject to force majeure) in substantial compliance with the

requirements of this Agreement, the relevant Exploration or Mining License and applicable Law, and (iii) the Concessionaire or the Operating Company, as applicable, becomes and remains in compliance with its EMPs and its payment obligations under this Agreement.

- c. If a party asserts the existence of an Event of Default under this Agreement and the other party refers to arbitration in accordance with this Agreement a dispute as to the existence of such Event of Default, termination of this Agreement may not take effect other than after the finality of, and in accordance with, an arbitration award upholding the existence of such Event of Default. The Concessionaire shall reimburse the Government for all expenses incurred by it in connection with arbitration held pursuant to this Section 24.4 if the Government's determination that an Event of Default exists is upheld in the arbitration.

24.5 Winding-up Commission.

- a. Except as provided in Section 24.5(d), if a notice of termination has been given, the parties shall set up a winding up commission (hereinafter referred to as the "Commission") which shall consist of two directors of the Concessionaire, two members appointed by the Government and a member of an internationally recognized accounting or law firm selected by the Government and reasonably acceptable to the Concessionaire, who will be the Chairperson of the Commission. The fifth member may not in the last ten years have represented the interests of the Government and his or her firm may not in the past five years have been regularly retained by the Government. The Chairperson will be responsible for scheduling meetings, for establishing the agenda of meetings, and for keeping the record of meetings.
- b. The Chairperson of the Commission shall issue a notice and agenda for the first meeting of the Commission, which shall be held no later than three weeks after the establishment of the Commission. Thereafter, the Commission shall hold periodic meetings at least once a calendar month.
- c. The Concessionaire shall present to the Commission within 30 days of its establishment a summary report, and within 60 days of its establishment a detailed report, on the status of the Operations of the Concessionaire under this Agreement as of the date of termination so that the Commission will be able to make recommendations to the Government as to whether the Commission and the Concessionaire should seek to transfer the assets and Operations of the Concessionaire to a third party, or should establish plans for the full or partial cessation of Operations

including the disposition of assets and their demolition or removal according to Section 25 and the restoration of the Mining License Areas to such condition as prescribed in the closure management plan provided for in the EMPs.

- d. The operation of this Section 24.5 is suspended under the circumstances contemplated by Section 24.4(b) or during the pendency of an arbitration challenging such termination commenced under Section 26.

SECTION 25 – DISPOSITION OF ASSETS

25.1 General Provision. Prior to the termination of this Agreement, the Concessionaire shall have the right to control all its Mining Plant, Infrastructure and other assets, whether or not the same may revert and become the property of the Government upon such termination, and, to the extent no longer required for Operations or for compliance with any specific provision of this Agreement, to dispose of in the ordinary course of its business any such assets (other than Land leased from the Government or its rights under any Exploration License or Mining License).

25.2 Disposition of Assets on Termination by the Government or Expiration of the Term. Upon a termination of this Agreement for any reason other than termination by the Concessionaire upon the occurrence and continuation of a Government Event of Default, the following rules apply:

- a. The Concessionaire shall deliver to the Government, not more than 60 days after the termination date a list (the "Property List") describing in reasonable detail and locating
- i) all Mining Plant and Infrastructure constituting structures or installations of any kind and any Movable assets or intellectual property required for the full use or Operations of any such Mining Plant and Infrastructure (such as, by way only of example, as computers and computer programs controlling the operation of Mine ventilation systems and elevators), but excluding other Movable assets, identifying which thereof could be used in continued Operations or otherwise and which in the good faith judgment of the Concessionaire have no further utility,
 - ii) for each Non-Goma Mine, Goma Mine, Additional Concession Area Mine and Contiguous Area Mine, any intellectual property required for the full use or Operations of each such Mine and all Mining Plant and Infrastructure constituting improvements to the

Land (including such things as roads, earthworks, bridges and dams), and

- iii) all Movable assets not referred to in clause (i) of this Section 25.2(a) (other than ordinary office equipment, furnishings and supplies and consumables reasonably expected to be consumed before the Termination Date) and any intellectual property required for the full use or operation of such Movable assets.

The Property List shall also set forth the estimated fair market value and book value of each Movable asset contained on such list.

Movable assets identified in clause (iii) of this Section 25.2 may be grouped for valuation purposes by generic type of asset and physical location, so that, for example, all Movable assets in a particular heavy equipment maintenance shop might be classified for valuation purposes as "mine truck parts and supplies," "dragline and shovel parts and supplies" and "maintenance equipment," but such grouping for valuation purposes does not excuse the Concessionaire from the duty to describe such Movable assets in reasonable detail.) The Property List shall be accompanied by a certificate of the chief executive officer of the Concessionaire to the effect that such list is complete and correct in all material respects.

- b. Failure of the Concessionaire timely to deliver the Property List or delivery by the Concessionaire of a Property List that is significantly deficient or incomplete shall be deemed an offer by the Concessionaire to sell to the Government all assets referred to in clause (iii) of Section 25.2(a) for a purchase price of US\$1.00.
- c. The Concessionaire shall, as part of its closure responsibilities, remove all such structures and installations described in the Property List pursuant to clause (i) of Section 25.2(a) except insofar as the Government, within 90 days of receipt of such list, has directed the Concessionaire to transfer to the Government such structures or installations, related rights to Land (in the case of any such assets not located on Government land), and any required Movable Assets or intellectual property identified in the Property List. The Concessionaire shall transfer to the Government, without charge, all of its right, title and interest in each structure or installation and its related property promptly following its receipt of such authorization or direction as to such property.
- d. The Concessionaire shall transfer to the Government, without charge, all of its right, title and interest in all property described pursuant

to clause (ii) of Section 25.2(a) within 10 days of the delivery of the Property List.

e. The delivery of the Property List shall constitute an offer by the Concessionaire to sell to the Government or its designee any or all Movable assets and related intellectual property described pursuant to clause (iii) of Section 25.2(a) at a purchase price equal to the lesser of the fair market value or the depreciated book value of each such asset, on an as is and where is basis. If the Government does not exercise such purchase right as to any Movable asset included in the Property List by notice to the Concessionaire within 90 days after delivery of the list, then the Concessionaire may sell such asset to any Person for such price as it may be able to obtain therefore or remove such asset from Liberia. If the Government exercises its purchase right with respect to any Movable asset and related intellectual property, it shall pay the purchase price within 90 days of the date upon which such purchase price is established, against transfer by the Concessionaire to the Government of all of its right title and interest in such Movable asset.

f. The Government, by notice to the Concessionaire within a reasonable period but not to exceed one year after any termination of this Agreement, may require the Concessionaire to dispose of in accordance with applicable Law any Movable assets not sold to the Government that remain on Government Land or in Mining Plant or Infrastructure that has been transferred to the Government. If the Concessionaire does not reasonably dispose of or remove such asset or assets within a reasonable period after said notice, the Government may effect such reasonable disposal or removal at the expense of the Concessionaire.

g. No transfer to the Government of any assets pursuant to this section with or without compensation shall release the Concessionaire from any of its environmental restoration or remediation obligations under this Agreement or applicable Law, or entitle the Concessionaire to release to it of any amounts set aside to fund the performance of such obligations. However, if the Government arranges for a qualified replacement operator to acquire all of the assets on the Property List and to continue the operations of each Non-Goma Mine, Goma Mine, Additional Concession Area Mine or Contiguous Area Mine, it will release the Concessionaire from such obligations and make such set-aside amounts available to fund the environmental restoration or remediation obligations of the replacement operator. In any such case, the Concessionaire must at the request of the Government transfer directly to such replacement operator all assets otherwise to be transferred to the Government under this Section

25.2, in the manner provided for in this Section 25.2, provided that the Concessionaire is not obligated to transfer assets for which payment is required under this Section 25.2 except against payment of the purchase price required by this Section 25.2.

- 25.3 Special Provisions for Public Use Infrastructure. To the extent the Concessionaire has built and is operating under any Exploration License or Mining License issued pursuant to this Agreement or this Agreement facilities required by the Regulations, this Agreement or other applicable Law to be made available for use by third parties (such facilities could include, by way of example and not limitation, highways, railroads, port facilities, water supplies, electrical supplies, hospitals or schools), the Government may, in lieu of the procedures set forth in Section 25.2, require (by notice to the Concessionaire within 90 days after the delivery of the Property List) the Concessionaire to transfer all of its right, title and interest, in and to any such facility (including all Movable Assets normally used in conjunction therewith and all intellectual property required for the full use or operation of such facility) to a Person designated by the Government without charge or for the purchase price attributable to such Movable assets and related intellectual property determined as provided in Section 25.2(e), as applicable, on an "as is, where is" basis. If the Government so designates a facility for purchase by a third party, the third party must pay the relevant purchase price within 120 days of the later of the date upon which such purchase price is established and the date such purchaser is designated.
- 25.4 Certain Insurance and Maintenance Obligations of the Concessionaire. The Concessionaire shall insure in accordance with the requirements of this Agreement and maintain (in accordance with applicable Law and the requirements of this Agreement) each Non-Goma Mine, each Goma Mine, each Additional Concession Area Mine, each Contiguous Area Mine, all Mining Plant and Infrastructure and all Movable assets until (i) 30 days after title is transferred to the Government by the Concessionaire, where transfer of the property is required under this Section 25 without action by the Government, (ii) 30 days after payment is to be made for such property under this Section 25, where such transfer is required to be made against payment by the Government or a third party following election of transfer by the Government, or (iii) at such time as the right of the Government under this Section 25 to elect to require the transfer of such property to it or a third party has expired, in the case of property the transfer of which is not timely required by the Government.
- 25.5 Determination of Movable Asset Fair Market Value. Unless the Government notifies the Concessionaire that it disagrees with the Concessionaire's fair market value estimates for a Movable asset (and related intellectual property) included in the Property List at or prior to the time it notifies the Concessionaire of its desire

to acquire such asset, the Concessionaire's valuation shall be final. If the Government does give notice of disagreement, fair market value shall be determined by internationally recognized appraisal firm experienced in the valuation of mining Movable assets. The firm will be selected by the Government, but must be from a list of three such firms selected by the Concessionaire if the Concessionaire provides such list when it provides the Property List. The costs of the appraiser in respect of each appraisal shall be allocated by the appraiser and shall be borne by the Concessionaire unless the valuation placed on the asset by the appraiser is at least 95% of the valuation placed on the asset by the Concessionaire, in which case the cost of the appraiser shall be by the Government. If the Concessionaire is unable or fails to provide for the transfer of any intellectual property required for the full use or operation of any Movable Asset (or if for any reason the Government or a purchaser designated by the government elects not to acquire and such intellectual property), its fair market value shall be determined based on its value to a Person who must acquire in the marketplace the necessary intellectual property.

- 25.6 Disposition of Mining Plant and Infrastructure on Termination by the Concessionaire. Upon a termination of this Agreement by the Concessionaire upon the occurrence and continuation of a Government Event of Default, all Mining Plant and Infrastructure shall become the property of the Government except to the extent the Government elects to transfer the relevant Land to the Concessionaire. All Movable assets, to the extent not constituting Mining Plant or Infrastructure, shall be and remain the property of the Concessionaire. The Concessionaire must remove all such property from Land owned or leased by the Government within two years of the date of termination and until removal must maintain third party liability insurance as required by this Agreement.
- 25.7 Miscellaneous. In connection with any transfer of rights in property pursuant to this Section 25, the Concessionaire shall execute such instruments of transfer sufficient to transfer all right, title and interest of the transferor as the transferee may reasonably request.
- 25.8 Liens. Any transfer of property to the Government or a third party pursuant to this Section 25 shall be free and clear of Liens or other charges and encumbrances of any kind arising out of any action or inaction of the Concessionaire or any Person claiming by, through or under the Concessionaire.

SECTION 26 – ARBITRATION

26.1 Submission to Arbitration.

- a. Any dispute, controversy, or claim between the Government and the Concessionaire arising out of, in relation to or in connection with

this Agreement or its formation, or the validity, interpretation, performance, termination, enforceability or breach of this Agreement for which resolution by submission to an expert is not specifically provided elsewhere in this Agreement shall be exclusively and finally settled by binding and enforceable arbitration under the then prevailing rules of arbitration of UNCITRAL (the "UNCITRAL Rules"). The law applicable to any arbitration shall be determined pursuant to Section 29 below. In the event of any conflict between the UNCITRAL Rules and this Section 26, the provisions of this Section 26 shall govern. Arbitration hereunder shall be the parties' exclusive remedy and no party to arbitration shall be required to exhaust any local administrative or judicial remedy, provided that in a dispute involving a violation of Law, the Company shall not initiate arbitration prior to a final administrative determination of a violation.

- b. Either of the parties to such dispute may institute arbitration proceedings by giving Notice to the other party and notice to the International Chamber of Commerce ("ICC"), including in each a statement of the issues in dispute.

- 26.2 Nationality for Purposes of Arbitration. Notwithstanding the incorporation of the Company in Liberia it shall be treated under this Section 26 as a Person that is a national of China for purposes of any arbitration pursuant to this Agreement.
- 26.3 Arbitrators. Any arbitral tribunal constituted pursuant to this Agreement shall consist of one arbitrator to be appointed by the Government, one arbitrator to be appointed by the Company, and one arbitrator, who shall be the president of the tribunal and shall be a citizen neither of Liberia nor of China (or of any other state of which a Party owning shares in Company is a national), to be appointed by the ICC. No such arbitrator shall have an interest in the matters in dispute.
- 26.4 Single Arbitrator. If the parties agree, they may jointly request that any matter subject to arbitration under this Agreement shall instead be referred for resolution by a single arbitrator to be appointed by agreement between them. In the absence of agreement as to the choice of arbitrator the ICC, or of any successor entity as provided for by Section 26.9 below, shall make the appointment. The decision of the single arbitrator shall be rendered pursuant to Section 26.6 below (except as regards the requirement for a decision by majority vote) and shall be final and binding unless appealed by any party to a full panel of arbitrators appointed as provided in this Section 26.3, who shall examine the single arbitrator's decision only as to manifest error of law, findings of fact that are not supported by any credible evidence, and abuse of authority, misconduct or other unauthorized act by the single arbitrator.

- 26.5 Venue and Other Items. Arbitration proceedings conducted pursuant to this Agreement shall be held in Singapore, Republic of Singapore, or such other place as the parties may agree, and shall be conducted in the English language. The parties submit to the jurisdiction of the Courts of Singapore for the limited purpose of enforcing this agreement to arbitrate. Each party shall bear equally the costs and fees incurred or imposed by the ICC; provided that the arbitral tribunal may decide in its award how the costs and fees are allocated between the parties. Any procedural issues that cannot be determined under UNCITRAL Rules shall be determined pursuant to applicable Law as set forth in Section 29 below.
- 26.6 Award. The arbitrators shall, by majority vote, render a written decision which shall be public stating the reasons for their award within 3 months after any hearing conducted has been concluded. Any monetary award shall be assessed and payable in Dollars (determined at the Prevailing Market Rate of Exchange if the award involves an obligation expressed in any currency other than Dollars) through a bank designated by the recipient. Each party shall bear its own costs and attorney fees. Neither party shall have any liability for either consequential damages (except for purposes of set-off) or exemplary or punitive damages, but interest at a rate not to exceed the London Interbank Offering Rate ("LIBOR") existing at the time of such award, plus one percentage point, multiplied by the amount of the award, shall be assessed from the date of any monetary award until its satisfaction. If LIBOR should cease to be reported, then the rate to be applied shall be another substitute rate agreed to by a majority of the arbitrators. If the decision of the arbitral tribunal is adverse to either party, then the arbitral tribunal may, in its discretion, specify a reasonable period of grace to cure any defect or default on the part of such party, provided that such period of grace shall not exceed 180 days for the making of any payment required by such award.
- 26.7 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 subrogation.
- 26.8 Nature of Award. The parties agree that, subject to Section 26.6 hereof, the arbitral award of any arbitral tribunal constituted pursuant to this Agreement may contain such orders (including orders for equitable relief or monetary damages) in respect of or affecting any of the parties (and any loss or damage suffered by any of them) as such arbitral tribunal determines to be appropriate in the circumstances, provided, that, the arbitrators may not award specific performance or other similar equitable remedies against either party. The parties, subject to their respective obligations contained elsewhere in this Agreement, shall take all

such actions as are necessary to give full and complete effect to the award which, in accordance with its terms, shall be binding upon and enforceable against them.

- 26.9 General. The consent to the jurisdiction of the ICC as set forth in this Section 26 shall equally bind any successor or successors-in-interest to each party to this Agreement. Should the ICC be replaced by, or their functions be substantially conferred upon or be transferred to, any new international body of a similar type and competence, each party shall have the right to submit any dispute to such body for settlement by arbitration in accordance with the foregoing provisions of this Section 26. The provisions of this Section 26 shall be severable from the remainder of this Agreement and shall remain in full force and effect notwithstanding termination of this Agreement.

SECTION 27 – NOTICES

- 27.1 Written Communications. All orders, approvals, declarations and notices of any kind between the parties (hereinafter each referred to as a "Communication") shall be in writing and delivered by hand, by fax, by postage prepaid registered mail, by prepaid internationally recognized courier service, or by any other means of communication agreed upon by the parties. Communication by fax or electronic mail is valid under this Agreement only to fax numbers or electronic email addresses set forth below or identified as acceptable to a party by notice to the other party pursuant to this Section 27.1. A Communication other than an electronic mail shall bear an original or facsimile reproduction of the signature of a representative of the sending party responsible for such Communication and all Communications shall indicate the identity of such representative and state how he or she may be reached by telephone and, if practical, electronic mail. A Communication under this Agreement is not effective until delivery.
- 27.2 Delivery. Subject to Section 27.5, delivery of a Communication to a party shall be deemed to have occurred in any one of the following circumstances:
- a. Fax confirmation of receipt is electronically issued to the sender by the fax receiving device.
 - b. Written confirmation of receipt is received by the postal or courier service delivering the Communication.
 - c. The recipient has otherwise directly or indirectly acknowledged receipt of the Communication in writing.
 - d. Verification of receipt of the Communication has been obtained in any manner specifically agreed to in writing by the parties.

Other confirmation of receipt acceptable to the recipient is obtained by the sending party.

- 27.3 Addresses. All Communications from the Government to the Concessionaire or the Operating Company shall be addressed as follows:

CHINA-UNION (HONG KONG) MINING CO., LTD.

Units 3401-2, 34th Floor, AIA Tower

183 Electric Road, North Point, Hong Kong

Fax : (852) 2887 2054

All Communications from the Concessionaire to the Government shall be addressed as follows:

The Minister of Lands, Mines and Energy
Ministry of Lands, Mines and Energy
Capitol Hill
Monrovia, Liberia

The Minister of Finance
Ministry of Finance
Broad Street
Monrovia, Liberia
And

And

The Chairman, National Investment Commission
National Investment Commission
12th Street Sinkor
Monrovia, Liberia

With a copy to

The Minister of Justice
Ministry of Justice
Ashmun & Center Street
Monrovia, Liberia

- 27.4 Change of Address. Any party may, upon prior notice to the other party, at any time change the designation of a Person named to receive Communications under this Agreement, or the address or fax number of the office in Liberia or elsewhere authorised to receive such Communications.
- 27.5 Quantities. All notices, reports, applications, feasibility reports, work plans and related plans and documents, financial statements and similar materials furnished to the Government by the Concessionaire under this Agreement shall be delivered to each Government addressee provided for under Section 27.3 or Section 27.4 (but not more than five addressees at any one time) in duplicate paper copies, and, if more than six pages long, shall be accompanied by a reproducible electronic copy in Microsoft Word or Adobe PDF format that is compatible with versions of such program that have been readily available in Monrovia for at least 48 months. The Government may change the required electronic data format for such documents to any other readily available format on at least 60 days prior notice to the Concessionaire.

SECTION 28 – FORCE MAJEURE

- 28.1 Application. In the event of a party being rendered unable, in whole or in part, by force majeure to carry out any obligation under this Agreement, other than an obligation of the Concessionaire to make payments of money to the Government, the party shall give notice and the particulars of such force majeure in writing to the other party as soon as practicable after the occurrence of the cause relied on. Thereafter, any obligation of the party giving such notice that such party is unable to carry out because of such force majeure shall be suspended during the continuance of any such inability so caused, but for no longer period, and 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 rights that are affected by force majeure, except in connection with an obligation to make payments of money, but including the Exploration Term or the Mining Term, as the case may be, shall be extended until the effect of such force majeure is remedied as above provided or otherwise ceases.
- 28.2 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 nation or state, embargoes, blockades, revolutions, riots, civil commotions, acts of terrorism, sabotage, strikes and/or other industrial, labour or employer-employee disputes (if not cured for a period of more than two months), fires, explosions, earthquakes or any other natural disasters, expropriation of facilities or goods, epidemics, public health emergencies and any similar cause,

provided any such cause was not within the reasonable control of the party claiming the benefit of force majeure and could not have been avoided or overcome by such party through the exercise of due diligence.

- 28.3 No Required Settlement. Nothing in Sections 28.1 or 28.2 above shall, in and of itself, be construed to require the Concessionaire to settle any strike, lockout or other labour or industrial dispute except as may be required by applicable Law.
- 28.4 Surface Rentals. Notwithstanding Section 28.1, for so long as events of force majeure constituting war, act of war, invasion, act of public enemies, hostilities (whether war is declared or not), revolution, riot, civil commotion, or acts of terrorism prevent the Concessionaire from carrying out Operations, the Concessionaire shall be excused from the payment of Surface Rent due accruing during such period under Section 15.

SECTION 29 – GOVERNING LAW

- 29.1 Applicability of Liberian Law. Except as explicitly provided in Section 14 to this Agreement, the Concessionaire shall be subject to all of the internal laws of Liberia as in effect from time to time, including with respect to labour, environmental, health and safety, customs and tax matters, and shall conduct itself in a manner consistent with Liberia's obligations under international treaties and agreements.
- 29.2 Construction and Interpretation. This Agreement and the rights, obligations and duties of the parties hereunder shall be construed and interpreted in accordance with Liberian law and by such rules and principles of international law as may be applicable.

SECTION 30 – PERIODIC REVIEW

- 30.1 Profound Changes in Circumstances. For the purpose of considering Profound Changes in Circumstances from those existing on the Effective Date or on the date of the most recent review of this Agreement pursuant to this Section 30, the Government on the one hand and the Concessionaire and the Operating Company jointly on the other hand, shall at the request of the other consult together. The parties shall meet to review the matter raised as soon after such request as is reasonably convenient for them both. In case Profound Changes in Circumstances are established to have occurred, the parties shall effect such change in or clarification of this Agreement that they in good faith agree is necessary.
- 30.2 Five Year Review. This Agreement shall be subject to periodic review once every five (5) years after the date of the start of Production for the purpose of

good faith discussions to effect such modifications to this 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.

- 30.3 Other Consultation. In addition to the consultation and review provided by Section 30.1 and 30.2, each party may at any time request a consultation with the other party with respect to any matter affecting the rights and obligations of the parties pursuant to this Agreement or any matter relating to Operations. The parties shall meet to review in good faith the matter raised as soon after such request as is reasonably convenient for them both. Subsequent to such consultation, the parties shall take such action, if any, that is mutually agreed to address the matter.

SECTION 31 – WAIVER OF SOVEREIGN IMMUNITY

The Government hereby irrevocably waives all claims of immunity from the jurisdiction of, and from the enforcement of any arbitral award rendered by, a arbitral tribunal constituted pursuant to this Agreement as well as all claims of immunity from the service of process or the jurisdiction of any court situated in any state, country or nation in aid of the jurisdiction of such arbitral tribunal or in connection with the enforcement of any such award.

SECTION 32 – CONFIDENTIALITY

32.1 Confidential Information.

- a. Subject to the limitations below and subject to applicable Law, for a period of three years from disclosure, each party agrees not to divulge information designated in writing at the time of delivery as confidential information ("Confidential Information") by the other party to any other Person without the prior written consent of the designating party. By designation of information as Confidential Information a party will be deemed to have represented that after review of such information it has reasonably determined that the release of such information to third parties would materially adversely affect the party or its economic well-being. In any event Confidential Information does not include information that (a) was publicly available or otherwise known to a party prior to the time of disclosure to it and not subject to a confidentiality obligation, (b) subsequently becomes publicly known through no act or omission by a party, (c) otherwise becomes known to a party other than through disclosure to such party by the other party, (d) constitutes financial statements delivered to the Government under Section 17.6 that are otherwise publicly available, (e) is mainly of scientific rather than commercial value, such as geological and geophysical data relating to

areas in which the Concessionaire no longer holds a valid exploration license and has not designated as a Proposed Production Area, or (f) has been disclosed pursuant to generally applicable Law or a final order of any court having jurisdiction that is not subject to appeal.

b. Each party will maintain the confidentiality of Confidential Information disclosed to it in a manner consistent with procedures adopted by such party to protect its own confidential information, provided that such party may deliver or disclose Confidential Information to (i) its financial, legal and other professional advisors (to the extent such disclosure reasonably relates to the administration of this Agreement), or (ii) any other Person to which such delivery or disclosure may be necessary or appropriate (1) to effect compliance with any law, rule, regulation or order applicable to such party, (2) in response to any subpoena or other legal process, (3) in connection with any litigation to which such party is a party if reasonably delivered necessary to protect such party's position in such litigation or (4) if an Event of Default has occurred and is continuing but only to the extent such party reasonably determines such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under this Agreement.

c. This Agreement and any amendments thereto are not confidential. The Concessionaire is not entitled to confidential treatment of information relating to the timing and amount of royalties and other payments specifically due under the terms of this Agreement or of Taxes and Duties payable by the Concessionaire or the rates at which such royalties, other payments or Taxes and Duties become due or are assessed, or information that is necessary to compute the amount of such royalties or other payments becoming due.

SECTION 33 – MISCELLANEOUS

- 33.1 Entire Agreement. This Agreement, including the Schedules and Exhibits attached to it, represents the entire agreement between the parties and shall with effect from the Effective Date, supersede all previous oral and written negotiations and agreements between the parties or between any party and an Affiliate of any other party.
- 33.2 Amendment. Any modification or amendment of any terms of this Agreement shall be by the mutual written agreement of the parties and, except as otherwise specifically provided in this Agreement, shall not become effective until approved by the President of the Republic.

- 33.3 Limitation of Liability. No party shall have any liability under this Agreement for consequential damages (except for purposes of set-off) or any form of exemplary or punitive damages.
- 33.4 Non-Waiver of Rights. The non-exercise or partial exercise by any party of any of its rights under the terms of this Agreement shall not in any case constitute a waiver of that right.
- 33.5 Assignment and Succession. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the permitted successors by operation of law and permitted assignees of the parties including without limitation in the case of the Government, all future manifestations or forms of public power exercising sovereign authority over all or part of the present territory of Liberia.
- 33.6 Survival. Notwithstanding termination of this Agreement by any 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, 20.1, 20.6, 24.5, 25, 26, 27, 29, and 33 of this Agreement, all liabilities accruing prior to such termination and all closure management and environmental remediation, restoration or reforestation obligations of the Concessionaire under this Agreement or the EMPs 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.
- 33.7 Severability. Should any Section of this Agreement, or any provision or term of any section, be found to be void, invalid or unenforceable, in whole or in part, then the remaining sections, and those unaffected provisions or terms of any other sections which contain some void, invalid or unenforceable provisions or terms, shall nevertheless remain valid and subsisting and shall be construed as if this Agreement had been executed without such void, invalid or unenforceable sections, provisions or terms. Any otherwise void, invalid or unenforceable section, term or provision of this Agreement shall be so construed, or reformed, as to alter, amend or change any such term, provision or condition to the extent necessary to render it valid, lawful and enforceable, while also giving maximum effect to the parties' originally intended purpose or result, short of creating any void, invalid or unenforceable provision, term or condition.

33.8 Joint and Several Liability. The Concessionaire and the Operating Company shall be jointly and severally liable for the obligations of the Concessionaire and the Operating Company under this Agreement.

33.9 Publication. The Government shall make public this Agreement and any amendments thereof.

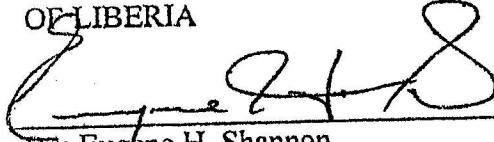
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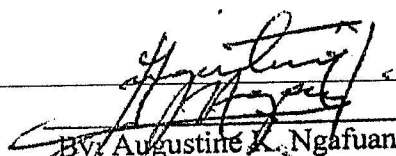
IN WITNESS WHEREOF, the parties have signed this Agreement, through their respective duly authorised representatives, in ten originals, on the day, month and year indicated above.

IN PRESENCE OF:

FOR THE GOVERNMENT OF THE REPUBLIC
OF LIBERIA



By: Eugene H. Shannon
THE MINISTER OF LANDS, MINES AND
ENERGY



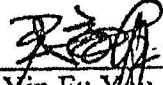
By: Augustine K. Ngafuan
THE MINISTER OF FINANCE



By: Richard Tolbert
THE CHAIRMAN OF THE NATIONAL
INVESTMENT COMMISSION

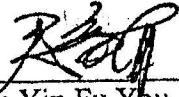


FOR THE CONCESSIONAIRE:



By: Yin Fu Yu
CHIEF EXECUTIVE OFFICER

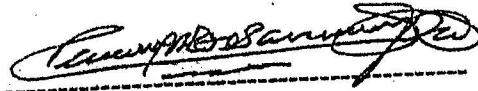
FOR THE OPERATING COMPANY:



By: Yin Fu Yu
CHIEF EXECUTIVE OFFICER



ATTESTED TO BY:



Phillip A.Z. Banks
MINISTER OF JUSTICE AND ATTORNEY
GENERAL

APPROVED BY:



ELLEN JOHNSON SIRLEAF
PRESIDENT
REPUBLIC OF LIBERIA
DATE:



2009

ATTESTATION

“AN ACT RATIFYING THE MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN THE GOVERNMENT OF LIBERIA AND CHINA (HONG KONG) MINING COMPANY, LTD. & CHINA UNION INVESTMENT (LIBERIA) BONG MINES COMPANY, LTD.”



VICE PRESIDENT OF THE REPUBLIC OF LIBERIA / PRESIDENT OF THE SENATE



SECRETARY, LIBERIAN SENATE, R.L.



SPEAKER, HOUSE OF REPRESENTATIVES, R.L.



CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

2009

FOURTH SESSION OF THE FIFTY SECOND
LEGISLATURE OF THE REPUBLIC OF LIBERIA

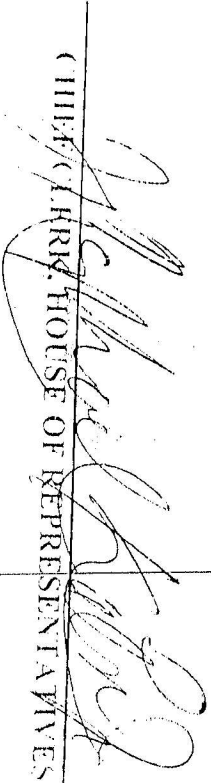
HOUSE'S ENGROSSED BILL NO.10 ENTITLED:

"AN ACT RATIFYING THE MINERAL
DEVELOPMENT AGREEMENT (MDA) BETWEEN
THE GOVERNMENT OF LIBERIA AND CHINA
(HONG KONG) MINING COMPANY, LTD. & CHINA
UNION INVESTMENT (LIBERIA) BONG MINES
COMPANY, LTD.

On motion, Bill read. On motion, the Bill was adopted on its
first reading and sent to Committee Room on Thursday,
January 29, 2009 @ 12:36GMT.

On motion, Bill taken from Committee Room for its second
reading. On motion, under the suspension of the rule, the
second reading of the Bill constituted the third reading and the
Bill was adopted, passed into the full force of the law, and
ordered engrossed today Tuesday, March 31, 2009 @ 19:40
GMT.

CHIEF CLERK, HOUSE OF REPRESENTATIVES



2009

FOURTH SESSION OF THE FIFTY-SECOND
LEGISLATURE OF THE REPUBLIC OF LIBERIA

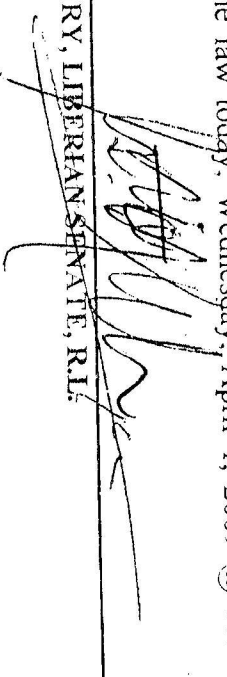
SENATE'S ENDORSEMENT TO HOUSE'S ENGROSSED BILL
NO. 10, ENTITLED:

"AN ACT RATIFYING THE MINERAL
DEVELOPMENT AGREEMENT (MDA) BETWEEN
THE GOVERNMENT OF LIBERIA AND CHINA
(HONG KONG) MINING COMPANY, LTD. & CHINA
UNION INVESTMENT (LIBERIA) BONG MINES
COMPANY, LTD"

On motion, Bill read. On motion, the Bill was adopted on its
first reading and sent to Committee Room on Wednesday,
April 1, 2009 @ 17:25 G.M.T

On motion, Bill taken from the Committee Room for its second
reading. On motion, under the suspension of the rule, the
second reading of the Bill constituted the third reading and the
Bill was adopted, ordered engrossed and passed into the full
force of the law today, Wednesday, April 1, 2009 @ 17:25
G.M.T

SECRETARY, LIBERIAN SENATE, R.L.



2009

FOURTH SESSION OF THE FIFTY-SECOND LEGISLATURE OF THE REPUBLIC
OF LIBERIA

SCHEDULE OF THE HOUSE'S ENROLLED BILL No. 2 ENTITLED:

"AN ACT RATIFYING THE CONCESSION AGREEMENT BETWEEN THE
GOVERNMENT OF LIBERIA AND BUCHANAN RENEWABLE (MONROVIA)
POWER, INC"

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA
FOR EXECUTIVE APPROVAL.

RECEIVED THIS 1ST DAY OF April A.D. 2009

AT THE HOUR OF 6:50 P.M



THE PRESIDENT OF THE REPUBLIC OF LIBERIA

