

REPUBLIC OF LIBERIA
(MONTSERRADO COUNTY)

**MEMORANDUM OF UNDERSTANDING TO EXPEDITE THE RESUMPTION
OF THE OPERATIONS OF WESTERN CLUSTER LIMITED, LIBERIA**

THIS MEMORANDUM OF UNDERSTANDING (hereinafter referred to as the "MOU") is made and entered into at Monrovia, Liberia on this 12th day of April 2022 by and between **The GOVERNMENT OF THE REPUBLIC OF LIBERIA**, represented by the Minister of Mines and Energy, the Chairman of the National Investment Commission, the Minister of Finance and Development Planning, and attested to by the Minister of Justice (hereinafter referred to as the "GOVERNMENT"),

AND

WESTERN CLUSTER LIMITED, LIBERIA a company incorporated under the laws of Liberia and having its registered office at Amir Building, Corner of 18th Street & Tubman Boulevard, Sinkor, Monrovia, Liberia (hereinafter referred to as the "**COMPANY**"), which expression, unless the context requires otherwise, shall include its successors and permitted assignees (WCL TIN 500015636)

The Government and Company shall be collectively referred to as the Parties.

WHEREAS:

1. The Company, its parent company and affiliated companies entered into a Mineral Development Agreement on August 3, 2011 (hereinafter referred to as "the Agreement") for the Iron ore deposits of the Bomi Hills mines, the Mano River Congo mines and the Bea Mountain Mines, situated in Bomi County and Grand Cape Mount County; the Agreement was thereafter ratified by the Legislature of the Republic of Liberia.
2. Subsequent to the ratification of the Agreement, Elenito Minerals & Mining, LLC, which owned forty-nine percent (49%) of the equity of the Company, with the approval of the Government, sold its aforesaid forty-nine percent (49%) of the equity of the Company, which resulted in an amendment to the Agreement on 5th July 2013, however the said amendment is yet to be ratified by the Legislature of the Republic of Liberia.
3. The Company obtained an Exploration License for the Bomi Hills mines, thereafter it successfully completed the exploration works and submitted a Feasibility Study Report to the Ministry of Mines & Energy (formerly the Ministry of Lands, Mines and Energy) for approval, and the Feasibility Study Report declared a Production Area for the Bomi Hills mines.

4. The Company is indebted to the Government of Liberia in the tune of USD 23,528,616 (Twenty-Three Million, Five Hundred Twenty-Eight, Six Hundred Sixteen), this amount representing total outstanding financial obligations due to the Government.
5. Due to certain supervening circumstances made it impossible for the Parties to perform their respective obligations under the Agreement, which forced the Company to suspend its operations.
6. As these supervening circumstances have been removed, subsided and/or ameliorated, the Company has decided to resume its operations; and pursuant to the same, the Parties have negotiated the terms under which the Company shall resume its operations.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN THE GOVERNMENT AND THE COMPANY AS FOLLOWS:

1. Due to the significant impact of the supervening circumstances on the Company, the Company is relieved of all financial obligations, of all kinds or nature, owed to the Government, which have not been paid by the Company to the Government and/or which would have accrued to the Government or any other beneficiary under the Agreement pursuant to the terms of the Agreement. In lieu of all such pending financial obligations up to the anniversary of the effective date of the Agreement, which is till August 3, 2021, the Company shall pay to the Government an amount of USD10,000,000.00 (Ten Million United States Dollars) towards final settlement for all such pending financial obligations.

2. SCHEDULE OF PAYMENTS

The schedule of payment of the USD 10,000,000.00 (United States Dollars Ten Million) is as follows:

(i) USD 5,000,000.00 (Five Million United States Dollars) shall be paid by the Company after the issuance of a Class A Mining License to the Company by the Government, through the Ministry of Mines and Energy, and not later than Thirty (30) days from the date of signing of this MOU and as otherwise provided in the pre-conditions of Clause three (3) of this MOU, whichever is applicable.

(ii) USD 5,000,000.00 (Five Million United States Dollars) shall be paid by the Company not later than Forty-five (45) days from the date of first shipment of iron ore.

In case the day on which either of the payments has to be remitted is a bank holiday/public holiday in India or Liberia, the next working day shall be considered as the due date.

3. ACCOUNT DETAILS

The Government confirms that its bank account details for the payments contemplated above, in each case, made in accordance with this MOU are as follows:

Company Name: Central Bank of Liberia
Correspondent Bank: FEDERAL RESERVE BANK OF NEW YORK
33 Liberty Street
New York, NY, 10045-0001
SWIFT Code: FRNYUS33
For onward credit to: Central Bank of Liberia
SWIFT Code: CBLRLRLM
For further credit to: A/C Title: GOL Revenue Account USD 02-205-300002-24

The Government shall confirm in writing receipt of any payments by the Company or its Affiliates within two days thereof.

3. The pre-conditions for the first payment of USD 5,000,000.00 (United States Dollars Five Million) by the Company to the Government, including those which have been either expressly provided for in the Agreement or are reasonable expectations of the parties, are as follows:

(i) The Government's Ministry of Mines and Energy shall issue a Class A Mining License to the Company for the mining of iron ore from the Bomi Hills mine. The aforesaid Class A Mining License has been issued as on the date of execution of this MOU and the Company acknowledges the receipt of the same.

(ii) The Government's Ministry of Public Works shall issue to the Company a road permit (with the content, form and manner) as agreed with the Company for transportation of the iron ore produced by the Company by road from the Bomi Hills mines to the Free Port of Monrovia for a period of not less than three (3) years; this timeframe being provided for in the Mineral Development Agreement.

(iii) Road permit to transport iron ore from Bomi hill to Freeport of Monrovia to be provided by the concerned Government authorities to facilitate seamless transportation of iron ore. The company shall rehabilitate the road from Bomi Hill mine to the Free port of Monrovia by repairing the existing potholes. Once the transportation of ore is started by the company, the newly generated potholes if any, will also be repaired by the company to maintain usability of the road. The Company will provide USD 3,000,000.00 (Three Million United States Dollars) as contribution for the rehabilitation of the corridor between the St. Paul Bridge and the Free Port of Monrovia. The above contribution shall be payable by the company in two equal installments of USD 1,500,000.00 (One Million, Five Hundred Thousand United States Dollars) each. The 1st installment of USD 1,500,000.00 (One Million, Five Hundred Thousand United States Dollars) shall be paid after all approvals are

in place as per the MOU. For the avoidance of doubt, all approvals mean Government's issuance of a Class A Mining License, issuance of a road permit for the transportation of iron ore, and the grant of a land lease for a parcel of land, contiguous to the LMC and NIOC piers, at the Freeport of Monrovia. The 2nd and final installment of USD 1,500,000.00 (One Million, Five Hundred Thousand United States Dollars) shall be paid 30 days after the 1st shipment of iron ore. The 2nd and final installment of USD 1,500,000.00 (One Million, Five Hundred Thousand United States Dollars) must be paid before the company makes its 2nd Shipment.

For the road from the Bomi Hills Mines, to the St. Paul River bridge for reconditioning of the road by filling up the potholes, WCL will pay to contractor doing above repair an amount to the extent of USD 1,500,000.00 (One Million, Five Hundred Thousand United States Dollars) for road.

There are other commercial users of this road for the transportation of their goods. Hence the Government acting through its Ministry of Transport and Ministry of Public works to work out the methodology to recover the cost of road usage which shall be used for maintenance of the road by the company.

(iv) The Government shall also assist the Company by interceding with the Management of the National Port Authority and the Liberia Revenue Authority to execute a lease agreement for LMC Pier & NIOC Pier at Freeport of Monrovia and haulage/storage space of approx. 11.3 Acres of land at the Piers of erstwhile Liberia Mining Company and/or the erstwhile National Iron Ore Company for its use by the Company for loading iron ore into vessels berthed at the port for the purpose of shipment out of Liberia as well as other relevant accommodations at Freeport of Monrovia for the Iron ore which the company transports to the Freeport of Monrovia for the purpose of shipments out of Liberia.

(v) The Government shall further assist the Company in negotiating with China Union Investment (Liberia) Bong Mines Co., Ltd., (hereinafter "China Union"), another iron ore producing company in Liberia, for using China Union's loading equipment facilities at reasonable market price(s) for loading the Company's iron ore into vessels berth at the piers of the Free Port of Monrovia or any other such arrangement which will help the company to ship the Iron ore from Liberia.

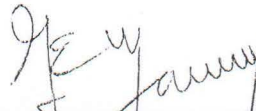
4. The Government appreciates and understands that the satisfaction of these pre-conditions is absolutely necessary for the resumption of the Company's operations; and accordingly, the Government shall apply its best efforts to ensure that all the pre-conditions are satisfied to facilitate shipments of iron ore by the Company as of April 2022.
5. The Parties agree that prior to the advent of supervening circumstances which forced the Company to suspend its operations, the Parties were negotiating certain amendments to the Mineral Development Agreement. The Parties therefore agree that negotiations for the amendment of the Agreement shall resume within six (6) months from the date of execution of this MOU.

6. The provisions of this MOU shall supersede all provisions of the Agreement which are contrary or in conflict hereto; the Agreement, as amended to the extent provided in this MOU, shall be in full force and effect.
7. This MOU forms the entire agreement between the parties for the resumption of the Company's operations. There is no other agreement or understanding between the parties.
8. The obligations of this MOU are binding on the parties hereto and the benefits thereof shall accrue to them as expressly provided herein or as reasonably expected from the terms hereof.

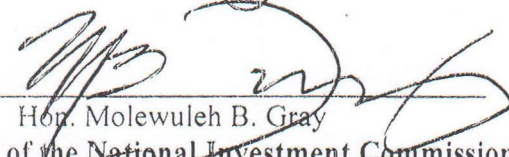
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IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding
this 12th day of April 2022.

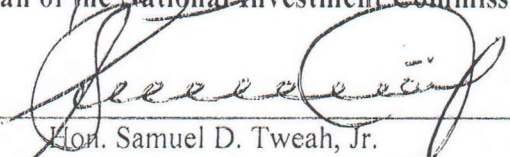
FOR: THE GOVERNMENT OF THE REPUBLIC OF LIBERIA



Hon. Gesler E. Murray
Minister of Mines and Energy

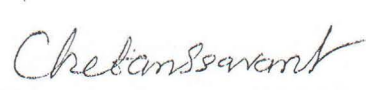


Hon. Molewuleh B. Gray
Chairman of the National Investment Commission



Hon. Samuel D. Tweah, Jr.
Minister of Finance and Development Planning

FOR: WESTERN CLUSTER LIMITED, LIBERIA



Chetan Savant
Head of Projects, Western Cluster Limited, Liberia

ATTESTED TO BY:

Cllr. Frank Musah Dean, Jr.
Minister/Attorney-General
Ministry of Justice