



Mineral Development Agreement

Between

THE GOVERNMENT OF THE
REPUBLIC OF LIBERIA

BHP BILLITON (LIBERIA) INC.

and

BHP BILLITON IRON ORE HOLDINGS PTY LTD

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MINERAL DEVELOPMENT AGREEMENT

Between

**THE GOVERNMENT OF
THE REPUBLIC OF LIBERIA**

BHP BILLITON (LIBERIA) INC.

and

BHP BILLITON IRON ORE HOLDINGS PTY LTD

Dated as of __4__ June, 2010

June 4, 2010

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MINERAL DEVELOPMENT AGREEMENT

This Mineral Development Agreement (hereinafter referred to as the "Agreement") is made the 4th day of JUNE 2010 by and between

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,

BHP BILLITON (LIBERIA) INC.,

a corporation organized under the laws of Liberia (as hereinafter defined, the "Company"), and

BHP BILLITON IRON ORE HOLDINGS PTY LTD,

a corporation organized under the laws of Australia (as hereinafter defined, the "Shareholder").

Capitalized terms used in this Agreement without other definition have the respective meanings assigned to them in Section I.

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 centers 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. With the Government's consent, as provided for in this Agreement, BHP Billiton World Exploration Inc. (Liberia) transferred to the Company its rights and obligations in relation to the Goe Fantro Exploration License, the Kitoma Exploration License, the St John River South Exploration License and the Toto Range Exploration License pursuant to and in accordance with the Mining Law and this Agreement. Accordingly, the Government will issue in the Company's name new Exploration

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Licenses in respect of the Initial Exploration Area, to grant the rights in respect of such licenses as set out in this Agreement and to enter into this Agreement for the purpose of confirming the terms and conditions that will govern the Company's transition to a Class A mining license and its operations under a Class A mining license.

- E. The Government is willing to grant the Company's request on the terms and conditions set forth in this Agreement, and the Company is willing to accept such terms and conditions.
- F. By virtue of the procedures followed by the Government in connection with (i) the approval of this Agreement and (ii) the related grants of all concessions and licenses covered by the provisions of this Agreement, as of the Effective Date this Agreement and all concessions and licenses referred to herein have been validly entered into and/or granted, notwithstanding the provisions of any other Law, including The Act Creating the Public Procurement and Concessions Commission.

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 Contribution" has the meaning given in Section 8.2(d).

"Additional Exploration Area" means one or more of the areas described in Exhibit 2 to this Agreement in respect of which the Company has a valid Exploration License(s).

"Affiliate" of any Person means any other Person that directly or indirectly Controls or is Controlled by or is under common Control with, such Person, provided however that, for so long as BHP Billiton Plc (a company incorporated in England) and BHP Billiton Limited (a company incorporated in Victoria, Australia) remain the two ultimate parent entities which are party to the dual listed company merger arrangements between them, in the case of the Company, BHP Billiton Plc or any of its Affiliates, shall also be deemed to be Affiliates of the Company.

"Agreed Revenue Code" has the meaning given in Section 14.2.

"Agreement" means this Mineral Development Agreement as well as all schedules and exhibits annexed to it, as they may from time to time be amended.

"Annual Social Contribution" means the payment obligations of the Company under Sections 8.2(c) and (d).

"Approved Work Program and Budget" means the Company's work program and budget approved by the Minister pursuant to the Exploration Regulations.

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“Buchanan Port” means the Iron Ore pier in Buchanan, Liberia and the other integrated Infrastructure that makes the pier operational.

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

“Change of Control” means any assignment, sale, or transfer of interest of any type that results in a change in possession of the power to Control the Company. A Change of Control of a shareholder, member, partner or joint venturer of the Company will constitute a Change of Control of the Company if such shareholder, member, partner or joint venturer can Control the Company provided that any Change of Control of an Excluded Holding Company or a Person which is a direct or indirect shareholder of such Excluded Holding Company will not constitute a Change of Control of the Company.

“Commission” has the meaning given in Section 25.7(a).

“Committee” has the meaning given in Section 8.2(b).

“Communication” has the meaning given in Section 28.1.

“Company” means BHP Billiton (Liberia) Inc., a corporation organized under the laws of Liberia, and its successors by operation of law and permitted assigns or any transferee pursuant to Section 23.

“Company Constructed Infrastructure” has the meaning given in Section 19.3(f).

“Company Event of Default” has the meaning given in Section 25.2.

“Competent Person” has the meaning assigned in the Selected CRIRSCO Code, provided that for three years from the Effective Date the term “Competent Person” shall also include a geologist who is a citizen and resident of Liberia with a graduate degree in mineral geology from an internationally recognized geology program who lacks the professional membership requirements imposed for qualification as a Competent Person under the Selected CRIRSCO Code but who otherwise has a minimum of five years post-graduate experience in non-governmental employment relevant to the style of mineralisation and type of deposit or class of deposit under consideration and to the activity which that person is undertaking, provided that (a) if such person is estimating or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources, (b) if such person is estimating, or supervising the estimation of Mineral Reserves, the relevant experience must be in the estimation, assessment, evaluation and assessment of the economic extraction of Mineral Reserves, and (c) such person has certified to the Minister that he has the requisite professional competence in the commodity, type of deposit and situation under consideration.

“Confidential Information” has the meaning given in Section 22.2(a).

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“Contiguous Areas” means any area adjoining the Exploration Area of any size (provided that Sections 5.3(n) and (o) of the Mining Law are complied with).

“Control” (including the terms “Controlled by” and “under common Control with” and “Controls”) means the ability of a Person to direct the exercise of more than 50% of the Management Rights with respect to a second Person.

“Controlling Person” has the meaning given in Section 23.11.

“Development” means all preparation for the removal and recovery of Minerals, including the construction and 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.

“Development Plan” has the meaning given in Section 5.4(a)(iv).

“Disapproval Notice” has the meaning given in Section 5.7(e).

“Disapproved Feasibility Report” has the meaning given in Section 5.7(e).

“Dispute” has the meaning given in Section 27.1(a).

“Dollar” and “US\$” means the lawful currency of the United States of America.

“Effective Date” has the meaning given in Section 2.

“EIA” has the meaning given in Section 5.4(c).

“EMP” has the meaning given in Section 5.4(c).

“Employees and Dependants” has the meaning given in Section 10.

“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 Company Event of Default.

“Excess Energy” means has the meaning given in Section 19.4(b).

“Excluded Holding Company” means any Person who Controls the Company (other than the immediate parent company of the Company) where the fair market value of that Person’s assets (or the assets of any Subsidiary of that Person) held outside of Liberia represents more than 75% of the fair market value of all assets owned by that Person (or any Subsidiary of that Person) and the Net Worth of that Person exceeds US\$1,000,000,000.

“Exploration” and “Explore” have the respective meanings assigned in the Exploration Regulations.

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~~"Exploration Area"~~ means the Initial Exploration Area and any Additional Exploration Area (being one or more of the areas described in Exhibit 2), together with any Contiguous Area, as it may be modified by operation of Section 4.1(g) or Section 4.8 of this Agreement and Section 5.1 or Section 3.2 of the Exploration Regulations.

"Exploration Agreements" means the iron ore exploration agreement for the Kitoma range between the Republic of Liberia and BHP Billiton World Exploration Inc dated 11 May 2005, and iron ore appraisal and exploration agreement for the Goe Fantro range between the Republic of Liberia and BHP Billiton World Exploration Inc dated 22 April 2005.

"Exploration Guarantee" has the meaning given in Section 20.6(a).

"Exploration Guarantor" has the meaning given in Section 20.6(a).

"Exploration Guarantor Net Worth Requirements" has the meaning given in Section 20.6(a).

"Exploration License" means an exploration license issued to the Company, covering all or part of the Exploration Area, which is the Company's "License" for the purposes of the Exploration Regulations and which shall be substantially in the form of Exhibit 3 hereto or as the parties may otherwise agree.

"Exploration License Effective Date" has the meaning given in Section 4.4(i).

"Exploration Regulations" means the Exploration Regulations which became effective on and after March 2010, as modified by this Agreement.

"Feasibility Consultant" means for so long as an Affiliate of BHP Billiton Plc or BHP Billiton Limited holds the Exploration Licenses and/or Mining Licenses, a person who is a mining industry professional with substantial working experience in the conduct of feasibility or related studies, employed with or contracted by the Company or one of its Affiliates, and in circumstances where there has been a Transfer or Change of Control pursuant to Section 23 pursuant to which an Affiliate of BHP Billiton Plc or BHP Billiton Limited no longer holds the Exploration Licenses and/or Mining Licenses, "Feasibility Consultant" shall mean an internationally recognized mine engineering consulting firm not affiliated with the Company or any of its direct or indirect shareholders.

"Feasibility Report" has the meaning given in Section 5.1(d)(i).

"Filing Date" means within 18 months of the date of designation of an area as a Proposed Production Area as may be extended pursuant to Section 4.5(a)(iv), Section 5.1(h), Section 19.11(b) or (c), Section 24.5 or Section 29.

"Final Closure Plan" has the meaning given in Section 26.2(i).

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"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.

"Force Majeure" has the meaning given in Section 29.2.

"GAAP" has the meaning given in Section 17.4(a).

"GDP Implicit Price Deflator" means the GDP Implicit Price Deflator as published from time to time by the U.S. Department of Commerce, Bureau of Economic Analysis, as the "revised" GDP Implicit Price Deflator for the specified calendar quarter. If such index is no longer published, the parties shall agree on adjustments that will substantially preserve the economic impact and timing of this periodic adjustment.

"Goe Fantro Exploration License" means the license granted to BHP Billiton World Exploration Inc. in relation to the Goe Fantro exploration area which came into effect on 22 April 2005.

"Government" means the Government of Liberia, including all of the branches, divisions, instrumentalities and agencies of its government.

"Government Event of Default" has the meaning given in Section 25.1.

"Guarantee" means the Exploration Guarantee or the Mining Guarantee, as applicable.

"Guarantor" means the Exploration Guarantor or the Mining Guarantor, as applicable.

"Guarantor Net Worth Requirements" means the Exploration Guarantor Net Worth Requirements or the Mining Guarantor Net Worth Requirements, as applicable.

"IFRS" has the meaning given in Section 17.4(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, in each case which cannot be removed from the Land, for example, rails and railroad ties. All other items of tangible property are "Movable".

"Indebtedness" has the meaning given in Section 20.4(c).

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

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

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- 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 immovable installations for radio, telephone, telegraph, telecommunications, and electronic or other forms of communications).
- b. Immovable port facilities (including docks, harbors, piers, jetties, breakwaters, terminal facilities and warehouses, and loading and unloading facilities).
- c. Immovable power, water and sewerage facilities (including immovable electrical generating plants and transmission lines, dams, water drains, water supply systems and systems for disposing of tailings, plant waste and sewage).
- d. Immovable public welfare facilities (including schools, clinics and public halls).
- e. Miscellaneous immovable facilities used primarily in connection with the operation of any of the foregoing (including offices, machine shops, foundries, repair shops, employees' housing and warehouses).
- f. Movable equipment used as an integral part of the immovable facilities described above.

"Initial Exploration Area" means those areas described in Exhibit I to this Agreement in respect of which the Company has a valid Exploration License(s), being the Toto Range Exploration License, the St John River South Exploration License, the Kitoma Exploration License and the Goe Fantro Exploration License.

"Initial Exploration Period" has the meaning given to it in Section 4.3.

"International Standards" means such practices, methods and acts as are in accordance with good standards of skill, diligence, judgment, prudence and foresight practiced by prudent professionals of leading international firms in the international mining industry (for example, firms that are members of the International Council on Mining and Metals), taking into account the relevant circumstances under which Operations are conducted.

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

"JORC" means the Australasian Joint Ore Reserves Committee.

"Kitoma Exploration License" means the license granted to BHP Billiton World Exploration Inc. in relation to the Kitoma exploration area which came into effect on 11 May 2005.

"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.

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“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.

“LCIA” means the London Court of International Arbitration.

“Legislature” has the meaning given in Section 2.

“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.

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

“Management Rights” means, with respect to a Person, the right to participate in the direction of the management and policies of such Person through such means as (i) the power to direct the vote of shares entitled to participate in the election of directors (or any Person holding an equivalent position as a director) of such Person, (ii) any other right to participate in the designation of the directors (or any Person holding an equivalent position as a director) of such Person, or (iii) the power to act as, or to direct the vote of, a voting partner of, any such Person that is a partnership, and for the avoidance of doubt a Person appointed pursuant to a contractual arrangement to act as a manager or operator of a company (including the Company or any subsidiaries of the Company) shall not be considered to have the right to participate in the direction of the management and policies of such company.

“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, Land 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 but not including hydrocarbons.

“Mineral Reserves” has the meaning given in and is to be determined as prescribed in the Selected CRIRSCO Code.

“Mineral Resources” has the meaning given to it in the Selected CRIRSCO Code and shall include a mineral resource inventory in relation to potential mineralization confirmed

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by a Competent Person, such mineral resource inventory comprising, in part, of Indicated Mineral Resource.

“Mineral Rights” has the meaning given to it in the Mining Law.

“Mining Guarantee” has the meaning given in Section 20.6(b).

“Mining Guarantor” has the meaning given in Section 20.6(b).

“Mining Guarantor Net Worth Requirements” has the meaning given in Section 20.6(b).

“Mining Law” means the Minerals and Mining Law 2000 Part I of Title 23 of the Liberian Code of Laws Revised, as from time to time amended, supplemented or modified.

“Mining License” means a Class A mining license granted by the Government to the Company under the Mining Law (subject to this Agreement) and Section 5 to Mine and produce specific Minerals in a specified area in Liberia, which shall be substantially in the form of Exhibit 4 hereto or as the parties may otherwise agree.

“Mining Plant” means all facilities and equipment constructed or acquired by purchase, lease or otherwise by the Company that are directly used in the extraction, milling, beneficiation or other processing of Minerals into the form in which they are marketed by the Company, including both Immovable 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 Company (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” has the meaning given in Section 5.8(a).

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

“Minister of Finance” means the Minister of Finance of the Republic of Liberia.

“Minister of Health” means the Minister of Health of the Republic of Liberia.

“Minister of Justice” means the Minister of Justice of the Republic of Liberia.

“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.

“Ministry of Finance” means the Ministry of Finance of the Republic of Liberia.

“Ministry of Health” means the Ministry of Health of the Republic of Liberia.

“Ministry of Justice” means the Ministry of Justice of the Republic of Liberia.

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“Mortgage” has the meaning given in Section 23.6(a).

“Mortgaged Property” has the meaning given in Section 23.6(a).

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

“New Port” has the meaning given in Section 19.3(h).

“Net Worth” means, as to any Person at any time:

- i) the total assets of such Person which would be shown as assets on a balance sheet of such Person as of such time prepared in accordance with GAAP or IFRS, as applicable; minus
- ii) the total liabilities of such Person which would be shown as liabilities on a balance sheet of such Person as of such time prepared in accordance with GAAP or IFRS, as applicable.

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

“Official” has the meaning given in Section 21.1(i).

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

“Operations Plan” has the meaning given in Section 5.4(a)(v).

“Outstanding Obligations” has the meaning given in Section 2.

“Payment Notice” has the meaning given in Section 25.3.

“party” means either the Government or the Company and, in the plural form, both the Government and the Company.

“Permitted Liberian Operator” means a corporation organized under the laws of Liberia that (i) is engaged by the Company to operate all or any portion of a Mine, Mining Plant or Infrastructure, and (ii) satisfies the criteria set forth in the first sentence of Section 6.3(f).

“Permitted Transferee” has the meaning given in Section 23.8.

“Person” means any natural person and any partnership, joint venture, corporation, limited liability company, trust, estate or other organization or entity, and any branch, division, political sub-division, instrumentality, authority or agency of any government or state.

“Prevailing Market Rate of Exchange” means the spot market rate at 12 noon Melbourne, Australia time derived from the appropriate page of the Reuters screen (or such other

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page or service displaying the appropriate rate as the parties may agree if Reuters no longer provides such daily spot market rate), expressed in Dollars, at which willing sellers and willing buyers, acting at arm's 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" for these purposes means a day on which banks are open for normal banking business in New York, New York, U.S.A..

"Previous Negative Environmental Impact" has the meaning given in Section 13.6(a).

"Pricing Agreement" has the meaning given in Section 15.3.

"Probable Mineral Reserve" has the meaning given in and is to be determined as prescribed in the Selected CRIRSCO Code.

"Product(s)" means any product or products produced by the Company under the authority of a Mining License, be it ore, mill concentrates, pellets, any other product the principal economic value of which is its iron content, or any other product produced from other Minerals.

"Production" means the commercial exploitation of Minerals found in the Exploration Area and authorized to be exploited under a Mining License 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 Exploration Area designated by the Company as a "Proposed Production Area" pursuant to Section 5.1 for which the Government has granted a Mining License to the Company pursuant to Section 5.3, including, for the avoidance of doubt, Retained Production Areas.

"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 31.1, in the economic conditions of the mineral and mining industry worldwide, 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.

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“Prohibited Person” has the meaning given in Section 23.8.

“Project” means the Mine, Mining Plant and Infrastructure relating to a Production Area or a Proposed Production Area (as applicable).

“Project Linkages Plan” has the meaning given in Section 5.4(e).

“Property List” has the meaning given in Section 26.2(a).

“Proposed Production Area” means an area or area designated as such by the Company pursuant to and in accordance with the requirements of Section 5.1.

“Proven Mineral Reserve” has the meaning given in and is to be determined as prescribed in the Selected CRIRSCO Code.

“Railroad” means the railroad from Buchanan, Liberia to Yekepa, Liberia and the other integrated Infrastructure that makes the railroad operational.

“RAP” has the meaning specified in Section 5.6(b).

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

“Related Person” has the meaning described in Section 208 of the Agreed Revenue Code.

“Relinquished Area” has the meaning given in Section 4.9.

“Restricted Payment” has the meaning given in Section 20.4(d).

“Retained Production Areas” has the meaning given in Section 4.7.

“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.

“Review Period” has the meaning given in Section 5.7(a).

“Royalty” has the meaning given in Section 15.1.

“Royalty Rate” has the meaning given in Section 15.1.

“Sales Price” has the meaning given in Section 15.2.

“SAMREC” means the South African Mineral Resource Committee.

“SAP” has the meaning given in Section 5.4(d).

“Selected CRIRSCO Code” means a Committee for Mineral Reserves International Reporting Standards (CRIRSCO) recognized mineral evaluation code such as JORC

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or SAMREC agreed upon by the parties, as from time to time in effect. Initially, the Selected CRIRSCO Code is JORC, as from time to time in effect. If the Selected CRIRSCO Code is no longer in effect or no longer defines a term defined herein by reference to it, the parties will agree on a CRIRSCO-compliant replacement code or if none exists a functionally and substantively similar replacement code.

“Shareholder” means BHP Billiton Iron Ore Holdings PTY Ltd, a corporation organized under the laws of Australia or any other Person who subsequently has direct Control of the Company.

“SIA” has the meaning given in Section 5.4(d).

“Skills and Technology Development Plan” has the meaning given in Section 5.4(f).

“St John River South Exploration License” means the license granted to BHP Billiton World Exploration Inc. (Liberia) in relation to the St John River South exploration area which came into effect on the date the Exploration Regulations came into effect..

“Start of Commercial Production” with respect to each Project, has the meaning given to the commencement of “commercial production” in Section 700 (e) of the Agreed Revenue Code.

“Start of Construction” has the meaning given in Section 14.3(f)(i).

“Subsidiary” means, as to any Person, any other Person in which 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 in respect of which more than a 50% interest in the profits or capital is owned by such first Person and/or one or more of its Subsidiaries.

“Substantial Achievement of Nameplate Capacity” means, with respect to each Project, the date on which, subsequent to Substantial Construction Completion and all testing and commissioning, the Company has produced marketable Product(s) in an amount equal to at least 80% of the design capacity as set out in the Feasibility Report relating to such Project for 60 consecutive days or, if earlier, the date of the third anniversary of the date on which the first payment of Royalties is made by the Company pursuant to Section 15.1.

“Substantial Construction Completion” means, in relation to each Project, the point in time prior to actual start-up when the following conditions have been met: (i) the Mine, Mining Plant and Infrastructure have been completed substantially in accordance with the Feasibility Report relating to such Project, (ii) the relevant equipment has been tested and commissioned in accordance with such Feasibility Report, and, to the extent relevant (iii) the Mining Plant is ready to accept feed for processing in accordance with the specifications of such Mining Plant.

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"Taxes and Duties" means any and all direct and indirect income, profit, excess profit, additional 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 rental, 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, as it may from time to time be extended in accordance with the provisions of this Agreement.

"Termination Notice" has the meaning given in Section 25.5.

"Third Party Claim" has the meaning given in Sections 13.6(b)(i) and 20.1(a)(i).

"Toto Range Exploration License" means the license granted to BHP Billiton World Exploration Inc. (Liberia) in relation to the Toto Range exploration area which came into effect on the date the Exploration Regulations came into effect.

"Transfer" means and includes a sale, assignment, pledge or other transfer of property, by operation of law or otherwise.

"UNICITRAL Rules" means the Arbitration Rules of the United Nations Commission on International Trade Law.

"Work" means all activities undertaken by or on behalf of the Company under this Agreement, including continuing Exploration under its Exploration License, if any, the design and construction of the all Mines, Mining Plant and Infrastructure and the acquisition of related equipment, the operation of all Mines, Mining Plant, Infrastructure and related equipment, the shutdown and demobilization of all Mines, Mining Plant and Infrastructure, all environmental protection, restoration and remediation activities required by this Agreement or by the EPA, and any other activities required to be undertaken by the Company pursuant to this Agreement.

This Agreement shall be read with such changes in gender or number as the context shall require and words importing the singular shall include the plural and vice versa. Headings to the clauses and sections of this Agreement are inserted for convenience only and shall not affect its construction. Unless otherwise specifically provided for in this Agreement, all references in this Agreement to Law or to any specific laws or regulations of Liberia, including a specific section thereof, shall mean such laws, regulations and/or section, including any successor law, regulation and/or section to any law, regulation and/or section specifically cited in this Agreement, as are at the time in effect. All references in this Agreement to Law shall include, with respect to any statute, any regulations promulgated thereunder. References to "Sections," "Appendices," "Schedules" and "Exhibits" without other attribution are references to Sections, Appendices, Schedules and Exhibits forming part of this Agreement.

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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), without other qualification, means “including but not limited to”. The Government and the Company have jointly participated in the negotiation and drafting of this Agreement and it 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”) on which the last of the following conditions have been satisfied: (i) attestation of this Agreement by the Minister of Justice of the Republic of Liberia, (ii) approval of this Agreement by the President of the Republic of Liberia, (iii) ratification of this Agreement by the National Legislature of the Republic of Liberia (the “Legislature”), and (iv) publication of this Agreement in handbills (at which point this Agreement shall take effect as Law), provided that under no circumstances will this Agreement become effective prior to the date upon which the Company and its Affiliates shall have cured:

- (A) any and all arrears in payments to the Government;
- (B) any and all defaults in reporting obligations and, to the reasonable satisfaction of the Ministry, the Ministry of Finance and the National Investment Commission, any and all other defaults; and
- (C) any and all violations of Law,

in each case under, or relating to, all prior agreements with or licenses or permits from the Government creating Exploration rights in favor of the Company in the Exploration Area and arising on or prior to the last to occur of the events described in clauses (i) through (iv) of this sentence (“Outstanding Obligations”). The Ministry and the Ministry of Finance shall provide the Company with a certificate signed by representatives of the Ministry of Finance and the Ministry certifying that the events described in clauses (i) through (iv) of the foregoing sentence have occurred. To the extent that there are any Outstanding Obligations on the date of the last to occur of the events described in clauses (i) through (iv) above, the Government shall notify the Company within ten Business Days of such date, giving details of the nature of any Outstanding Obligations and, if it relates to any arrears in payments, of the full amount payable by the Company and upon satisfaction by the Company of the relevant Outstanding Obligation notified to it in accordance with this Section 2, this Agreement shall come into effect and the Effective Date for the purposes of this Agreement shall be the date such Outstanding Obligation has been satisfied by the Company. If no notification is sent to the Company within ten Business Days of the date of the last to occur of the events described in clauses (i) through (iv) above, this Agreement shall come into effect on the tenth Business Day after such date which shall be the Effective Date for the purposes of this Agreement provided that failure to provide such notification by the Government shall not extinguish any payment obligations of the Company accruing prior to the Effective Date which shall be subject to Section 4.1(h).

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In accordance with the Mining Law, the Government has agreed to provide certain investment incentives to the Company in accordance with this Agreement in consideration for the Company agreeing to be bound by the terms of this Agreement. Following the ratification of this Agreement by the National Legislature of the Republic of Liberia referred to above, this Agreement shall be enacted as, and this Agreement and the terms hereof shall become, a law of the Government, any Law to the contrary notwithstanding.

SECTION 3 – 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 for in, and in accordance with, this Agreement, and will be automatically extended to match the term of any Mining License, including any extension under Section 5.8(a) of the term of any Mining License.

SECTION 4 – INTERIM EXPLORATION RIGHTS

4.1 Interim Exploration Rights.

- a. The Company shall have an exclusive right to continue Exploration within the Exploration Area in accordance with this Agreement. The Company shall conduct Exploration in compliance with the Exploration Regulations and this Agreement, notwithstanding any conflicting provisions of an Exploration License. Unless expressly otherwise provided in this Agreement, if there is a conflict between the terms of the Exploration Regulations or of an Exploration License and the terms of this Agreement, the terms of this Agreement shall prevail.
- b. With effect from the Effective Date, all Exploration Agreements shall terminate and shall have no further effect and no party thereunder shall have any claim against the other under such agreements.
- c. The Government hereby consents to the transfer to the Company by BHP Billiton World Exploration Inc. of its rights and obligations in relation to the Goe Fantro Exploration License, the Kitoma Exploration License, the St John River South Exploration License and the Toto Range Exploration License. In accordance with the Mining Law and on the Effective Date, the Government shall grant to the Company new Exploration Licenses in respect of the Initial Exploration Area (the co-ordinates for which are set out in Exhibit 1 to this Agreement).
- d. The term of any Exploration License (the “License Term” under the Exploration Regulations) granted to the Company pursuant to this Agreement (including the Exploration Licenses granted to the Company in relation to the Initial Exploration Area) shall be for such period as set out in Sections 4.3 and 4.6, in each case without any right to further extension under the Exploration Regulations or otherwise (other than the right to extend for delay pursuant to Section 4.5 or Section 19.11(b) or (c)).

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- e. Subject to Section 4.1(f), the rights of the Company to conduct Exploration are limited to exploration for Iron Ore.
- f. The Company shall have the right of first refusal to Explore and Develop other Minerals within the Exploration Area or a Production Area and the Ministry will grant an exploration license under this Agreement for other Minerals within the Exploration Area or a Production Area (as the case may be) on compliance by the Company with standard license application procedures except to the extent the existence of prior Mineral Rights with respect to such grants prohibits under applicable Law the issue of an exploration license to the Company. Following the grant of a Mining License pursuant to Section 5.3, if the Company discovers other Minerals within a Production Area the Company may apply for an amendment to its existing Mining License or for a new Mining License to cover the new Minerals in accordance with this Agreement and the Government shall not unreasonably withhold its approval of such amendment or grant of a new Mining License provided that the Company has submitted to the Government an amendment to the existing Feasibility Report or, at the Government's discretion, a new Feasibility Report, for such other Minerals. The terms of this Agreement shall apply to the Exploration, Development and Production of any other Minerals (other than hydrocarbons) in respect of which an exploration license and/or mining license is granted and/or amended pursuant to this Section 4.1(f) except that the Company shall be responsible for paying the relevant license fee and royalties imposed under applicable Law or as otherwise agreed between the parties in respect of such other Minerals (and the terms of this Agreement shall be modified accordingly). For the avoidance of doubt, the right of first refusal under this Section 4.1(f) granted in respect of (i) the Exploration Area shall expire when the Initial Exploration Period expires or the relevant part of the Exploration Area lapses or the Company's rights to conduct Exploration in the relevant part of the Exploration Area terminate in accordance with this Agreement and (ii) a Production Area shall expire when the Mining Term (as may be extended or renewed pursuant to this Agreement) relating to that Production Area expires or the Company's rights to conduct Operations in a Production Area terminate in accordance with this Agreement.
- g. The Company is not subject to the obligation to reduce the Exploration Area set forth in Section 5.2 of the Exploration Regulations. The Company is entitled to increase the Exploration Area in accordance with the applicable provisions of Section 5.1 of the Exploration Regulations at any time prior to the expiry of an Initial Exploration Period (as may be extended pursuant to Section 4.5).
- h. Any payment obligations of the Company in favor of the Government that accrue prior to the Effective Date under the terms of an Exploration License or any other agreement between the Company and the Government shall continue to accrue until the Effective Date. Any such payment obligations shall be paid on the earlier of their respective existing due dates and the day

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that is 30 days after the Effective Date. Any payment obligations of the Company that accrue under the terms of the Exploration Regulations shall continue to accrue in accordance therewith prior to and after the Effective Date except to the extent that this Agreement specifically provides that any such payments shall no longer accrue. Any payment obligations of the Company that accrue under the terms of this Agreement shall be deemed to accrue only from and after the Effective Date.

- i. For the purposes of those requirements of the Exploration Regulations that are tied to the occurrence of the "Effective Date" as such term is defined in Section 1 of the Exploration Regulations (hereinafter referred to as an "Exploration License Effective Date") or to the occurrence of anniversaries of an Exploration License Effective Date then:
 - (i) in relation to any Exploration Licenses in effect on the Effective Date, the Effective Date under this Agreement shall be deemed the Exploration License Effective Date; and
 - (ii) in relation to any Exploration License which comes into effect after the Effective Date, the date such Exploration License comes into effect shall be deemed the Exploration License Effective Date, provided that the Company must comply with the reporting requirements of the Exploration Regulations from and after the date this Agreement is signed by the Company and the Government.
- j. The Company may conduct only such Exploration as does not require the 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 Company from the EPA shall be promptly filed with the Minister.

4.2 Additional Exploration Areas.

- a. Upon the coming into effect of an Exploration License in respect of any Additional Exploration Area (being one or more of the areas described in Exhibit 2) such Additional Exploration Area shall form part of the Exploration Area and shall be subject to the terms and conditions of this Agreement.
- b. The Company shall have a right of first refusal in respect of the grant by the Ministry of any Exploration License over any Additional Exploration Area (being one or more of the areas described in Exhibit 2) subject to the rights of any third parties over such Additional Exploration Area existing at the date of this Agreement and, for the avoidance of doubt, where such third party rights exist, upon the termination or cessation of such rights, such right of first refusal shall apply.
- c. The Company may exercise its right of first refusal under Section 4.2(b) within 180 days following the receipt by it of notice from the Minister:

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- (i) ~~of the relinquishment or surrender of any third party's rights in respect of any Additional Exploration Area (being one or more of the areas described in Exhibit 2) which is the subject of third party rights at the date of this Agreement; or~~
- (ii) that a third party has submitted an application with respect to any Additional Exploration Area (being one or more of the areas described in Exhibit 2) which, if accepted, would result in the creation of third party rights over such area.

4.3 Initial Exploration Period.

Subject to Section 4.5 and Section 4.6, the Company may conduct Exploration on any part of the Exploration Area in respect of which an Exploration License has been granted for a period commencing on the Effective Date, or, if later, the date on which an Exploration License granted in respect of the relevant area within the Exploration Area comes into effect, until:

- a. the fifth anniversary of the Effective Date in respect of those areas in the Exploration Area that are subject to an Exploration License which is in effect on the Effective Date; and
- b. the fifth anniversary of the date on which an Exploration License comes into effect in respect of any areas in the Exploration Area in respect of which an Exploration License is not in effect on the Effective Date,

each an "Initial Exploration Period".

4.4 Contiguous Areas.

The Company may submit in writing a proposal to the Minister to acquire rights to a Contiguous Area, and the Minister shall issue a ruling either accepting or rejecting the proposal within 90 days of receipt of such proposal. In deciding such ruling the Minister shall, acting reasonably and in accordance with its obligations under this Agreement, give preference to the Company in allocating a Contiguous Area to the Company subject to any third party rights which may exist in respect of a Contiguous Area under applicable Law or any outstanding Exploration or Mining license. Upon approval of the Company's proposal and, if applicable, the grant of an Exploration License, the relevant Contiguous Area will be deemed to be incorporated into the Exploration Area and will be subject to the terms and conditions of this Agreement. Section 7 shall apply to any Contiguous Area the subject of a proposal sent to the Government in accordance with this Section 4.4.

4.5 Extension of Initial Exploration Period.

- a. The Initial Exploration Period in respect of each area within the Exploration Area which is subject to an Exploration License shall be extended for such period of time which is equivalent to the period of any delay in Operations resulting from:

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- i) Force Majeure;
 - ii) a suspension order issued by the Government which has been disputed by the Company in accordance with Section 27 where the arbitral award determines that such suspension order was incorrectly given, in which case the period of delay shall be equivalent to the amount of time the suspension order was in effect;
 - iii) an extension of time granted to the Company under Section 5 for the purposes of designating a Proposed Production Area; or
 - iv) circumstances which are reasonably within the control of the Government (or of one of its agents or contractors), which have not resulted from the Company's own default and could not have been avoided or overcome by the Company through the exercise of due diligence, and which have resulted in a delay in Operations of more than 30 consecutive days provided that such 30 day period shall only commence upon the date that the Company notifies the Government that an event is occurring which is causing a delay which is or is likely to fall within this clause (iv), giving details of the circumstances causing the delay.
- b. Following notification of a delay pursuant to clause (iv) of Section 4.5(a), the Government may inform the Company that it does not consider that the delay is one which permits the Company to an extension under clause (iv) of Section 4.5(a). Following receipt by the Company of such notification, the parties shall in good faith seek to reach agreement within 30 days thereof as to the cause of the delay and the appropriate length of time, if any, of the period of the delay and accordingly the extension of time to the Initial Exploration Period.

4.6 Continuing Exploration Rights.

- a. To the extent that any part of the Exploration Area is designated as a Proposed Production Area in accordance with Section 5.1 prior to the expiry of an Initial Exploration Period (as may have been extended pursuant to Section 4.5), the Company's right to conduct Exploration shall continue over any such Proposed Production Area until (i) the Mining License is granted under Section 5 or (ii) the Company's rights to be granted such Mining License under this Agreement expire. The Company's right to conduct Exploration shall also continue following the conversion of a Proposed Production Area into an approved Production Area under a Mining License granted pursuant to Section 5 for the period of such Mining License.
- b. If the Company 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

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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, save to the extent that such provisions have been expressly modified by this Agreement.

- c. The parties agree that in relation to any Exploration conducted within the Exploration Area pursuant to the terms of this Agreement or under any Exploration Licenses, any provisions in applicable Law (whether existing as at the Effective Date or which may be enacted in the future) which:
- i) limit the term of an Exploration License to less than the Initial Exploration Period (as may be extended pursuant to Section 4.5 or Section 4.6); or
 - ii) require surrendering a portion of the Exploration Area prior to expiry of the relevant Initial Exploration Period; or
 - iii) require payment of any fees or the making of any financial contributions or the provision of any security in addition to any amounts required to be paid, or the security to be provided for, by the Company pursuant to the terms of this Agreement (including, but not limited to, community contributions in Section 8, surface area fees in Section 15.4 and the provision of security for closure obligations in Section 20.6),

shall not apply.

4.7 Retained Production Areas.

In addition to designation of Proposed Production Areas in accordance with Section 5.1(a), prior to the expiry of an Initial Exploration Period, the Company may also nominate an area of Land for the purposes of access to and from the Proposed Production Areas, the development and operation of Infrastructure, or as reasonably required in connection with existing and future Operations, including reasonable buffer zones around Proposed Production Areas ("Retained Production Areas"). Any such Retained Production Areas shall be deemed to be part of the applicable Proposed Production Area and shall be subject to the rights and obligations set out under this Agreement (other than the Company's right to conduct Exploration in such Retained Production Areas).

4.8 Surrender of Exploration Area.

The Company may surrender an Exploration License in its entirety or surrender any portion of the Exploration Area covered by an Exploration License in accordance with Section 3.2 of the Exploration Regulations (and be relieved of any further obligations under this Agreement in respect of such Exploration License and/or the

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portion of the Exploration Area being surrendered other than its closure management obligations as set out in its Approved Work Program and Budget and any other obligations or liabilities accruing prior to such surrender).

4.9 Termination of Exploration Rights and Lapse of Exploration Area.

Except as provided in Section 4.6 with respect to Exploration conducted in a Proposed Production Area timely designated in compliance with the requirements of Sections 5.1(a) and 5.1(b), the rights of the Company to conduct Exploration in the Exploration Area (or part of the Exploration Area, as may be the case) shall terminate upon:

- i) the expiry of the relevant Initial Exploration Period (as may have been extended pursuant to Section 4.5) in respect of the area to which such Initial Exploration Period relates; or
- ii) the surrender of the relevant part of the Exploration Area by the Company in accordance with Section 4.8 (in which case the Company's rights to conduct Exploration in the surrendered area shall terminate),

and from and after the date that part of the Exploration Area has expired or been surrendered under sub-paragraph (i) or (ii) above, the Company shall have no further rights under this Agreement or any prior agreement with, or license or permit from, the Government with respect to the portion of the Exploration Area which expired or has been surrendered (other than that encompassed by Proposed Production Areas timely designated in compliance with the requirements of Sections 5.1(a) and 5.1(b)) (such portion, the "Relinquished Area"). Unless otherwise permitted by the Government, the Company shall, within a reasonable period, but not to exceed 180 days after the date provided in the previous sentence, cause the removal and proper disposal of any property used by the Company or any of its contractors that is located on any portion of the Relinquished Area.

SECTION 5 – MINING LICENSES

5.1 Designation of Proposed Production Areas and Application for a Mining License.

- a. If the Company identifies potentially exploitable Iron Ore deposits or other Mineral deposits in the Exploration Area, it may designate by notice to the Minister that all or one or more portions of the Exploration Area are proposed production areas (each, a "Proposed Production Area"). The Company may give more than one notice under this Section 5.1(a) provided that, except as permitted pursuant to Sections 5.1(h) and 5.2, no such notice may be given with respect to the relevant portion of the Exploration Area at any time following the expiration of an Initial Exploration Period (as may be extended pursuant to Section 4.5) in respect of the Exploration License covering such portion. Each such notice must set forth:

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- i) the proposed boundaries of each Proposed Production Area covered by such notice; and
- ii) the nature, location and estimated quality of the Iron Ore or other Mineral constituting the Mineral Resources in such Proposed Production Area.

Each notice with respect to a Proposed Production Area must be accompanied by (x) the report of a Competent Person setting forth his or her conclusion that the deposit(s) constitute Mineral Resources, and the basis for such conclusion, in the form required by the Selected CRIRSCO Code for the public reporting of Mineral Resources, and setting forth the scope of any Iron Ore or other Mineral constituting Mineral Resources located within the Proposed Production Area and (y) evidence of payment of the processing fee required by Section 16.1(a).

- b. Each Proposed Production Area (i) shall consist of such part of the Exploration Area as in the light of International Standards is reasonable, taking into account the extent and nature of the Iron Ore or other Mineral constituting Mineral Resources, for the mining and recovery of such Mineral Resources, including the Retained Production Areas, and (ii) shall form a compact block as much as possible, with the borders aligned to the true north-south and east-west. A Proposed Production Area may not include Land (i) located within the boundaries of any cities, commonwealth districts, municipal districts, cemeteries, transportation or communication facilities, aqueducts, military base, port, Poro or Sande grounds, and other grounds reserved for public purposes, except with the consent of the officials authorized to administer or control the affairs of such entities, and subject to such special terms and reasonable conditions as may be prescribed for the protection of surface users or (ii) as otherwise reasonably agreed by the parties.
- c. The Company shall submit to the Government within 60 days following the notice given under Section 5.1(a) detailed maps for each Proposed Production Area covered by such notice, based on actual surveys using modern, internationally recognized technology which is capable of being used in Liberia, that, with respect to a Proposed Production Area, set forth the boundaries and coordinates of the area containing the deposits from which Iron Ore or other Mineral is expected to be Mined. The maps shall be of such scale and contain such detail, including geographical and topographical information, (x) as may reasonably be necessary to identify accurately the boundaries of the Iron Ore or other Mineral constituting Mineral Resources within such Production Area and (y) as may otherwise reasonably be required by the Liberian Geological Survey for the mapping of Proposed Production Areas.

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- d. Unless the Company has complied with Sections 5.2(a) and (b) (implementing the “marginal deposit” provisions of the Mining Law), the Company must by the Filing Date:
- i) file with the Minister a plan for the design, production and operation of efficient and economic Mining, processing, rail transport, port loading, shipping and marketing of Products from such Proposed Production Area prepared to International Standards by, at the Company’s discretion, the Company, an Affiliate of the Company and/or its consultants and approved by the Feasibility Consultant, substantially complying with Sections 5.4 through 5.6 (such plan, together with any and all amendments thereto, the “Feasibility Report”);
 - ii) file with the Minister an application for a Class A mining license, or an amendment to an application for a Class A mining license or an amendment to a Mining License, as the case may be, to permit the mining of such deposits in the form required by the Mining Law and such Regulations as are then in effect; and
 - iii) a certificate of the chief executive officer of the Company dated the date of submission to the effect that (x) the Company has complied through to 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 Company of any of such obligations that have been cured to the reasonable satisfaction of, or waived by, the Minister), and (y) the Company is prepared, subject to any necessary internal approvals, to develop the Mine, Mining Plant and Infrastructure in the manner set forth in the Feasibility Report (other than as may reasonably be required to respond to facts and circumstances not known to the Company at the time the Feasibility Report was filed), and setting forth the manner in which the Company proposes to finance the construction and acquisition of the Mine, the Mining Plant, the Infrastructure and the related equipment (including the sources of funding to the extent identified).

The Company’s rights in any Proposed Production Area designated as such in compliance with the requirements of Section 5.1(a) and (b) expire if:

- iv) the Company does not file by the Filing Date the Feasibility Report and related materials as provided in this Section 5.1(d) and Section 5.1(e); or
- v) where the Company has not filed the maps required by Section 5.1(c) within the time specified in that Section and has been notified by the Minister that it has failed to do so, the Company does not cure such

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failure within 10 Business Days of receipt by the Company of such notice from the Minister.

- e. The Feasibility Report required by Section 5.1(d) must be accompanied by evidence of the payment by the Company of the processing fee required by Section 16.1(b).
- f. If the Company proposes to produce Products from two or more separate sites using similar extraction techniques and shared processing or beneficiation facilities, a single Feasibility Report shall be required and a single Mining License shall be issued covering all such sites, subject to the approval of the Minister of Finance for the treatment of such operations and facilities as a single "mining project". If the Company proposes to use materially different extraction techniques or substantially independent processing or beneficiation facilities for separate mining sites, separate Mining Licenses and Feasibility Reports shall be required for each site. Notwithstanding the foregoing, nothing in this Section 5.1(f) shall require the approval of the Minister of Finance for the treatment of any operations and facilities as a single "mining project" where such operations and facilities are treated as a single mining project pursuant to Section 14.3(k)).
- g. If multiple Mining Licenses are required by Section 5.1(f), the Ministry will notify the Ministry of Finance of the applications of the Company, and the Minister of Finance is entitled to impose such conditions upon such Mining Licenses as the Minister of Finance reasonably deems necessary to comply with Revenue Code requirements of separating the costs and expenses of separate "mining projects". The Minister of Finance reserves the right to require that a separate company be formed to hold each Mining License and related assets if it determines that to be the most appropriate means of separating the costs and expenses of separate "mining projects". Notwithstanding the foregoing, this Section 5.1(g) does not apply to any Mining Licenses issued in respect of the Initial Exploration Area which are treated as a single mining project pursuant to Section 14.3(k)).
- h. The Company may extend for a period of six months in respect of either but not both of:
 - i) the time for designating Proposed Production Areas in compliance with Sections 5.1(a) and (b); or
 - ii) the time for filing the Feasibility Report and related materials required by Sections 5.1(d) and (e),by payment, at least 30 days prior to the expiration of the time period otherwise applicable, of the extension fee provided for in Section 16.1(c) or (d), respectively, provided that the Company may not utilize for any

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Production Area both the postponement provided for in clause (ii) of this Section 5.1(h) and the postponement provided for in Section 5.2.

- i. If, as contemplated by Section 5.1, the Company has timely designated more than one Proposed Production Area within a single Exploration Area, but believes that development of one or more of such areas should be postponed as provided in Section 5.2, it may file a Feasibility Report with respect to the areas initially to be developed and postpone the filing of a Feasibility Report for the other areas by complying with the provisions of Section 5.2 in respect of those areas. In any such case, if the Company elects to develop one or more of the postponed areas, it must timely file a new Feasibility Report encompassing the previously postponed Proposed Production Area, including any impact on Operations of other existing Proposed Production Areas, and otherwise complying with the requirements of this Agreement governing the filing and approval of Feasibility Reports. This requirement is to ensure that the financial and technical capacity of the Company and the environmental, social and other impacts of the proposed enlarged operation are considered.

5.2 Postponement of Development.

- a. If the Company believes that the "marginal deposit" provisions of Section 5.3(l) of the Mining Law are applicable to the Iron Ore or other Minerals contained in a Proposed Production Area, and has not obtained an extension under clause (ii) of Section 5.1(h), it may apply to the Minister in accordance with Section 5.3(l) of the Mining Law within 12 months of the date of designation of such Proposed Production Area under Section 5.1(a) for postponement of the obligation to deliver a Feasibility Report and related materials under Sections 5.1(d) and (e) for a period of up to two years. The application shall be accompanied by a certificate of the chief executive officer of the Company to the effect that:
 - i) in his or her reasonable judgment, on the basis of the information available about the Mineral Resource involved (which shall be based on an opinion from a Competent Person) or the extraction and export thereof, such Mineral Resource is not exploitable under current technical and economic conditions, and the production from such deposit cannot reasonably be expected to be sold on commercially viable terms for a period of at least the period for which a postponement is being sought under this Section 5.2 (plus a reasonable period for Mine, Mining Plant and Infrastructure construction) from the date on which the Feasibility Report is otherwise required to be filed under Section 5.1(d); and
 - ii) the Company has given the Competent Person referred to in clause (i) of this Section 5.2(a) all material information available to the Company relating to a determination as to the scope and other

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characteristics of the Mineral Resources included in the such Proposed Production Area.

- b. The Minister shall approve the application unless the Company is at the time in default in the performance of its obligations under this Agreement in a material respect. Any such delay period, if approved, will operate to extend the due date of the Feasibility Report to be filed under Section 5.1(d) for a period of two years from the date originally due under Section 5.1(d) or such lesser period of time as is requested by the Company.
- c. Not more than 180 and not less than 90 days prior to the end of the initial delay period, the Company may apply for a second delay period of up to two years upon complying in full with the requirements of Section 5.2(a) as though they were applicable by their terms to a second delay period.
- d. In order to retain its rights in a Proposed Production Area following an approval by the Minister of a delay period, the Company:
 - i) must pay (in addition to the surface rent payable under Section 15.4 with respect to such Proposed Production Area) an annual postponement fee for each year of the delay, as determined in Section 16.1(e); and
 - ii) must file the Feasibility Report and related materials required by Sections 5.1(d) and (e) applicable to such Proposed Production Area prior to the end of the delay period, or the second delay period (if applicable), in each case as may be extended pursuant to Section 19.11(b) or (c), Section 24.5 or Section 29.
- e. All rights of the Company to such Proposed Production Area automatically terminate if:
 - i) a Feasibility Report and related materials complying with Sections 5.1(d) and (e) and applicable to such Proposed Production Area are not timely filed under Section 5.2(d)(ii); or
 - ii) where the Company has not made the payment due under Section 5.2(d)(i) in accordance with that Section and has been notified by the Minister that it has failed to do so, the Company does not cure such failure within 10 Business Days of receipt by the Company of such notice from the Minister.

5.3 Mining License.

The Minister will grant the Company a Class A mining license for the Mining of the Iron Ore or other Mineral proposed to be extracted from each Proposed Production Area subject to the satisfaction of the following requirements:

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- a. The Company has complied with the requirements of Sections 5.1(a) through (c).
- b. The Company has not been notified by the Government that it is in default in any material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement) except as to such defaults as have been cured to the reasonable satisfaction of, or waived by, the Government.
- c. The Company has submitted a Feasibility Report by the Filing Date, in accordance with Sections 5.1(d) and (e) that complies with the requirements of Sections 5.4 through 5.6, and the Feasibility Report has been approved by the Minister pursuant to Section 5.7.
- d. To the extent required, the Company has furnished the Mining Guarantee.

If the Company is entitled to one Mining License for multiple Proposed Production Areas in accordance with Sections 5.1(f) and subsequently elects to postpone in accordance with Section 5.2 the submission of a Feasibility Report, for one or more but less than all of such Proposed Production Areas as contemplated by Section 5.1(i), on approval of the amended Feasibility Report as contemplated by Section 5.1(i), the Minister shall amend the Mining License issued in connection with the original Feasibility Report (if previously issued) if the foregoing clauses (b) through (d) have been complied with as applicable to the expanded project contemplated by the amended Feasibility Report.

Any Mining License issued pursuant to this Agreement shall recite that it is issued subject to the terms and conditions contained in such Mining License and this Agreement, and that it is not assignable or transferable in any way other than as permitted by the terms of this Agreement. To the extent of any conflict between the terms of a Mining License or any Regulations and the terms of this Agreement, this Agreement shall prevail.

Any failure by the Government to give notice to the Company in accordance with Section 5.3(b) above shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.

5.4 Feasibility Report.

- a. The Feasibility Report for a Proposed Production Area shall comply with applicable Law and International Standards, shall include the following technical and financial components described in this Section 5.4(a) and shall also include the additional components set forth in Sections 5.4(b) through (g):

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- i) a description of the Iron Ore or other Mineral to be Mined, the Mining and processing methods proposed to be used, and the quality of the Product(s) to be marketed;
- ii) a statement of the expected recovery rate for the Iron Ore or other Mineral to be Mined over the term of the Mining License and for the output of the expected Product(s);
- iii) a report of a Competent Person setting forth his or her conclusion as to the amount of Iron Ore or other Mineral to be Mined constituting the Proven Mineral Reserves and Probable Mineral Reserves in the Proposed Production Area, and the basis for such conclusion, in the form required by the Selected CRIRSCO Code for the public reporting of Mineral Resources;
- iv) a development plan setting forth the basic design and operating specifications for the proposed Mine, Mining Plant, Infrastructure and equipment (the "Development Plan"), which shall, among other things:
 - (A) include maps at the scale required by the Ministry setting forth the proposed location of each proposed Mine and related Mining Plant and Infrastructure, and any other activities or improvements described in Section 6.7(e) or 11.6 of the Mining Law and, in the case of each activity referred to in Section 6.7(e) or Section 11.6(c), (e) or (f) of the Mining Law, setting forth the capacity (if any) expected to be available for public utilization, provided that activities described in Section 11.6(a) or 11.6(b) of the Mining Law must be limited to those reasonably necessary for the implementation of the Development Plan;
 - (B) include the capacity demonstration measures required by clause (viii) of this Section 5.4(a); and
 - (C) include a capital expenditure plan (in reasonable detail) and a construction (or acquisition), completion and commencement of operations schedule for each proposed Mine and all related Mining Plant, Infrastructure and equipment proposed in the Development Plan;
- v) a plan for Operations (an "Operations Plan") that sets forth the Company's plan for operating each proposed Mine and related Mining Plant, Infrastructure and equipment, including expected staffing requirements;
- vi) a brief plan in outline for marketing and selling the Products (including projected principal market regions and projected means of transporting Product(s) from Liberia to such regions) for the Mining

Term (which brief plan in outline will not be required to include revenue assumptions);

- vii) a financing plan, setting forth the manner in which the Company proposes to fund the Development Plan and the methods the Company proposes to use to fund the EMP, the SIA and the SAP referred to in Sections 5.4(c) and (d); and
 - viii) a program for capacity verification and testing to demonstrate that the principal components of each proposed Mine and related Mining Plant, Infrastructure and equipment have substantially the operating capacities set forth in the Development Plan which shall at a minimum include demonstrations that the completed facilities have the capacity to perform as specified in the Feasibility Report.
- b. If the Mine, Mining Plant and Infrastructure are designed so that any portion of the facilities for transporting ore to the port or the facilities at the port will be used for less than the entire output of the Mine, then the Feasibility Report shall include provision for comparable testing of such portions of such facilities based on their intended capacities. Thus, if the Feasibility Report and the Development Plan provide for a two-stage development, with transport and port facilities initially being sized for one Mine and are later to be expanded to provide for a second Mine, the capacity demonstration tests for the transport and port facilities must be conducted once at the lower capacity levels and again at the higher capacity levels.
 - c. The Feasibility Report shall include an Environmental Impact Assessment Study Report ("EIA") and an Environmental Management Plan ("EMP") complying with Section 5.5 and applicable Law, prepared by an internationally recognized environmental consultant, as filed by the Company with and approved by the EPA, such approval not to be unreasonably withheld or delayed.
 - d. The Feasibility Report shall include a Social Impact Assessment ("SIA") and Social Action Plan ("SAP") complying with Section 5.6 and applicable Law.
 - e. The Feasibility Report shall include a project linkages plan (the "Project Linkages Plan") that (i) identifies the potentials for local suppliers, contractors and service providers to service the Project, (ii) identifies key interventions to grow the minerals input industrial sector, and (iii) sets out a project local purchase plan with clear milestones identified in terms of an increasing percentage of local purchases of goods and services, and providing for bidding preferences for local suppliers, contractors and service providers (provided that such Persons offer quality, terms, delivery, service, quantity and price at least comparable to those obtainable from other sources).

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- f. The Feasibility Report shall include a skills and technology development plan (the “Skills and Technology Development Plan”) that contains an annual projection of the Company’s commitments to the development of local human resources and, to the extent applicable, planned expenditure on research and development within Liberia and the region indicating how the Company proposes to discharge its obligations under Section 11, including detailed plans and programs for the recruitment and training of citizens of Liberia, including timetables and schedules, in connection with the construction and operation of the proposed Mines, Mining Plant and Infrastructure.
- g. The Feasibility Report shall include a confirmation from the Feasibility Consultant substantially to the effect that:
- i) the Company has the design, procurement and construction management capacity necessary to implement the proposed Development Plan, or has identified contractors with which it will contract for the design, procurement and production of each proposed Mine and related Mining Plant, Infrastructure and equipment that have the capacity to carry out such activities;
 - ii) the Company has the management capacity to operate each proposed Mine and related Mining Plant, Infrastructure and equipment in accordance with the proposed Operations Plan;
 - iii) each proposed Mine and related Mining Plant, as designed, will if constructed in accordance with the designs and maintained in accordance with good operating and sustaining capital practices, support the planned operating levels of such Mine as set out in the Feasibility Report;
 - iv) the railroad and port facilities referred to in the Feasibility Report, as designed or expanded, will, if constructed in accordance with the designs and maintained in accordance with good operating and sustaining capital practices, support the transport and loadout of the projected production capacity of each proposed Mine as set out in the Feasibility Report, assuming each such proposed Mine and its related Mining Plant are operating at the design levels specified in the proposed Development Plan;
 - v) the geotechnical survey work done in connection with locating all proposed Mining Plant and Infrastructure is sufficient to support the conclusion that the sites of such proposed Mining Plant and Infrastructure are suitable for the construction and operation of those facilities;
 - vi) the EIA done in connection with the proposed siting of, and the subsequent operations of, each proposed Mine and related Mining

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Plant, Infrastructure and equipment was conducted in a manner consistent with the World Bank "Environmental Health and Safety Guidelines for Mining" and otherwise complies with the requirements of Section 5.5;

- vii) the design of each proposed Mine and related Mining Plant, Infrastructure and equipment is in accordance with International Standards for the design of mines and related facilities of similar size and type and is appropriate for the climate and geography of Liberia, and the Company has under license from the Government or has otherwise acquired rights to sufficient Land:
 - (A) to accommodate in an environmentally sound manner in accordance with International Standards all Mining Plant and Infrastructure expected to be necessary for the Mining and all proposed processing of Iron Ore or other Mineral in accordance with the proposed Development Plan;
 - (B) to reasonably insulate surrounding areas in accordance with International Standards from possible adverse impacts of Operations; and
 - (C) to provide for all activities proposed to be undertaken as part of its ongoing environmental protection plan;
- viii) the completion verification procedures set forth in Section 6.1 and the capacity demonstration procedures set forth in the proposed Development Plan are reasonably sufficient to demonstrate that each proposed Mine and all related Mining Plant and Infrastructure have been completed substantially in accordance with the proposed Development Plan and can reasonably be expected to have substantially the operating capacity specified in the proposed Development Plan; and
- ix) the EMP, if implemented as proposed, will limit the likely negative environmental impact to limits established in the World Bank "Environmental Health and Safety Guidelines for Mining", the Company's mine closure plan meets the standards established by the World Bank "Environmental Health and Safety Guidelines for Mining", and the estimated cost for such plan (valued in current Dollars) is reasonable, and such plan otherwise complies with the requirements of Section 5.5.
- h. The Company may submit one or more Feasibility Reports in relation to one or more Proposed Production Areas in respect of any part of the Exploration Area and may submit amendments to a Feasibility Report relating to an

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expansion or addition to Operations conducted under an existing Mining License, if applicable, in accordance with Section 5.9.

- i. Any amendment to a Feasibility Report must result in such Feasibility Report, as so amended, complying with the requirements of Section 5.
- j. If the Company's Feasibility Consultant is unwilling to provide a confirmation with respect to any matter set forth in any of the foregoing clauses of Section 5.4(g), the Company must arrange for such confirmation to be provided by a separate internationally recognized mining engineering or other firm with appropriate expertise for such elements.

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

- a. The EIA and the EMP must comply with applicable Law and International Standards.
- b. The EIA must at a minimum (i) identify pre-existing environmental conditions, (ii) set forth the potential adverse impact of the construction and operation of the Mining Plant and the Infrastructure proposed in the Feasibility Report, and (iii) must take into account all activities or improvements to be undertaken by the Company and referred to in Section 6.7(d), 6.7(e) or 11.6 of the Mining Law.
- c. The EMP must at a minimum set forth detailed plans consistent with the EIA for the mitigation of negative environmental impact attributable to, and the restoration or remediation of the environment to the extent affected by, the implementation of the Development Plan and subsequent Operations, including the actions to be taken by the Company to comply with Sections 8.1 through 8.3 of the Mining Law, and shall comply with Section 5.5(e).
- d. The Minister shall not approve the Feasibility Report until the EPA has approved the EMP and the EIA as complying with the requirements of this Agreement, the EPA's approval not to be unreasonably withheld or delayed and, in any event, the EPA's decision as to whether or not it has approved the EMP and the EIA shall be notified to the Company within three months of the submission by the Company of the EIA and EMP to the EPA.
- e. The 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 significant health or safety issues (including provision for the control of acid drainage and other long-term environmental hazards) and (ii) each Proposed Production Area and the surroundings of any Mining Plant or Infrastructure not located in such Proposed Production Area shall be reforested or suitably remediated. The closure management plan must include a list and assessment of risk and any uncertainties associated with the preferred closure option, consider the social

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aspects of closure and rehabilitation, and provide a process for participation by the community and other stakeholders in closure management and monitoring. The closure management budget shall provide a realistic initial estimate of the expected closure cost, broken down by principal activities.

- f. The EMP must also set forth the means by which the Company proposes to ensure the availability of funds in accordance with Section 5.5(g) to finance its environmental restoration and remediation obligations under Sections 8.2 and 8.3 of the Mining Law so that the cost of closure will be borne by the Company and not the public or the Government.
- g. The Company shall, at its election, either (i) provide the Mining Guarantee, or (ii) agree in writing with the Government to a “pay-as-you-go” funding scheme, or (iii) provide financial support in the form of a letter of credit provided on behalf of the Company by 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 for redetermination of estimated closure costs at least once every three years and corresponding adjustments in the amount of the letter of credit. In the case of third party credit support, if the party supplying the letter of credit 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 letter of credit must provide that if the Company does not within 90 days thereafter secure a substitute letter of credit from another third party financial institution satisfying the requirements of this section, the letter of credit 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 Company’s environmental restoration and remediation obligations.
- h. The Company shall have held public hearings on the EIA and the EMP at least in Monrovia and the county in which its Proposed Production Area which is the subject of the EIA and the EMP is situated, and shall have included as part of the Feasibility Report a statement of the means taken to publicize the hearings, an indication of the numbers of persons who attended such hearings and, to the extent known to the Company after reasonable inquiry, the names of the organizations such persons represent, a summary of the issues raised at such hearings, and a discussion of the actions taken by the Company in response to such hearings. The Ministry may set forth by regulation additional standards consistent with accepted practice in OECD countries for the location of, notification of and conduct of such hearings.

5.6 Social Impact Assessment and Social Action Plan.

- a. The SIA must set forth the potential adverse impact of the construction and operation of each proposed Mine, and the related Mining Plant and Infrastructure on the individuals and communities resident in and around

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- (i) each Proposed Production Area and any Mining Plant or Infrastructure not located within a Proposed Production Area, or (ii) areas affected by the proposed processing or transport of Product using (x) Company-provided Infrastructure or equipment or (y) to the extent the Company's proposed use materially alters existing Infrastructure, facilities or equipment, Infrastructure, facilities or equipment provided by the Government or third parties.
- b. The SAP must set forth reasonable measures, in light of the costs involved, for the mitigation of the adverse impact referred to in Section 5.6(a) above, taking into account centers of population that have formed and which may form as a result of Operations during the term of this Agreement. The SAP must include a Resettlement Action Plan ("RAP") component if communities located in or adjacent to each Proposed Production Area or to Mining Plant or Infrastructure not located in the relevant Proposed Production Area should under International Standards be resettled for health or safety reasons. The RAP must provide for (but not be limited to) suitable area(s) of resettlement. Any resettlement undertaken by the Company shall be consistent with Performance Standard 5 (Land Acquisition and Involuntary Resettlement) in the International Finance Corporation's Performance Standards on Social & Environmental Sustainability.
- c. The Company must have held public hearings on the SIA and the SAP in at least Monrovia and the counties in which its Proposed Production Area and any proposed port that the Company proposes to build as part of its Infrastructure, in each case which is the subject of the SIA and the SAP, is situated, and must include as part of the Feasibility Report a statement of the means taken to publicize the hearings, an indication of the numbers of persons who attended such hearings and, to the extent known to the Company, the names of the organizations such persons represent, a summary of the issues raised at such hearings, and a discussion of the actions taken by the Company in response to such hearings. Such hearings, at the option of the Company, may be combined with the hearings that the Company is required to hold pursuant to Section 5.5(h). The Ministry may set forth by regulation additional standards consistent with accepted practice in OECD countries for the location of, notification of and conduct of such hearings, and may establish generally applicable requirements for third party review (at the Government's own expense) of the SIA and the SAP comparable to the technical review of the Development Plan and Operations Plan undertaken by the Feasibility Consultant provided that such requirements have been established by the Government and notified to the Company within 90 days of the designation of a Proposed Production Area in accordance with Section 5.1(a).
- d. At the Company's option, the SIA and the SAP may be combined into one report, together with the EIA, the EMP, the Project Linkages Plan and the Skills and Technology Development Plan.

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5.7 Approval of the Feasibility Report and Grant of Mining License.

- a. The Minister may, within 90 days of receipt of the Feasibility Report (the “Review Period”), (i) appoint independent consultants and/or bankers, at the Government’s own cost, to assist in its review of the Feasibility Report, (ii) reasonably request additional information with respect to any aspect of the Feasibility Report necessary to satisfy applicable requirements of this Agreement and upon the provision of such additional information by the Company, the Review Period shall recommence unless otherwise agreed with the Minister, and (iii) recommend reasonable changes in any component of the Development Plan to the extent the Minister deems the changes necessary to satisfy applicable requirements of this Agreement. In the absence of notice from the Minister that the Feasibility Report is incomplete, the Feasibility Report shall be deemed to be complete as to form and content at the end of the Review Period.
- b. Unless the Government has notified the Company that (i) the design or Operation of each proposed Mine and related Mining Plant, Infrastructure and equipment in accordance with the Development Plan would violate any provision of applicable Law or (ii) the Company is in default in any material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement) which have not been cured to the reasonable satisfaction of, or waived by, the Government, and provided that immediately following the issue of a Class A mining license pursuant to Section 5.7(g) the Company shall comply with Section 20.4, the Minister shall approve the Feasibility Report, or the Feasibility Report as amended, as the case may be, if:
- i) the Feasibility Report and its specific components comply with the provisions of the Mining Law and the terms of this Agreement;
 - ii) the EPA has approved the EMP and the EIA as complying with the requirements of this Agreement, International Standards and applicable Law, and
 - iii) each of the EMP, the EIA, the SIA, the SAP, the Project Linkages Plan and the Skills and Technology Development Plan have been generally made available to the public for at least 60 days prior to the date of approval of the Feasibility Report, including by way of (A) posting thereof on-line on a Government provided website, (B) making available copies thereof for examination at the relevant ministries during normal business hours, (C) publishing notice of such posting and availability in one or more newspapers of wide circulation in Monrovia and (D) publishing a summary thereof in one or more of such newspapers provided that to the extent the Government does not effect (A) or (B) above within 45 days of being provided the relevant

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documents by the Company for such purpose, the Company shall not be required to have complied with those provisions.

- c. Any failure by the Government to give notice to the Company in accordance with Section 5.7(b) shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.
- d. The Minister shall be deemed to have approved the Feasibility Report unless the Minister has notified the Company in writing of the reasons for disapproval not later than 30 days after the end of the Review Period. Following any such disapproval and the resubmission by the Company of an amended, modified or supplemented application for a Class A mining license or Feasibility Report, the Minister shall be deemed to have approved the Feasibility Report unless within 60 days of such amendment, modification or supplement the Minister has notified the Company in writing of the reasons for disapproval.
- e. In the event the Minister has given the Company timely notice of its disapproval of the Feasibility Report (a "Disapproval Notice," and such disapproved Feasibility Report, a "Disapproved Feasibility Report"), the Company and the Ministry shall discuss in good faith (i) what, if any, amendments, modifications or supplements to the Disapproved Feasibility Report would make the Feasibility Report acceptable to the Ministry and (ii) what would constitute a reasonable period of time for the Company to submit to the Ministry for approval a Feasibility Report as so amended, modified or supplemented. In the event that the parties fail to reach agreement with respect to the matters described in the foregoing sentence within 180 days of the date of the Disapproval Notice the parties shall jointly appoint an expert who is a mining industry professional with substantial working experience in the conduct of feasibility or related studies who shall determine: (i) what, if any, amendments, modifications or supplements to the Disapproved Feasibility Report should be made such that the amended Feasibility Report should be approved pursuant to this Agreement; and (ii) what would constitute a reasonable period of time for the Company to submit to the Ministry for approval a Feasibility Report as so amended, modified or supplemented.
- f. If the Company fails to submit to the Ministry for approval an amended, modified or supplemented Feasibility Report within the time period (i) agreed by the parties or (ii) determined by the expert in accordance with Section 5.7(e) (to the extent the expert determines that such amendment, modification or supplement to the Disapproved Feasibility Report is required), all rights of the Company to the Proposed Production Areas covered by the Disapproved Feasibility Report shall automatically terminate and all right, title and interest

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in the Disapproved Feasibility Report shall automatically vest in the Government subject to the Company continuing to be able to use such information in connection with other projects in Liberia. The provisions of Section 5.7(e) or (f) do not impose any obligation upon the Minister to approve any amended, modified or supplemented Feasibility Report, it being understood that all requirements of this Section 5.7 shall apply thereto.

- g. No later than five Business Days following the latest to occur of the conditions set forth in Section 5.3(a) through (d), the Minister shall grant the Company a Mining License covering each Proposed Production Area covered by the approved Feasibility Report. In the case of the approval of a Feasibility Report filed as contemplated by Section 5.1(i) that proposes to add additional Proposed Production Areas to Production Areas for which a Mining License has already been issued, the Minister must amend the Mining License to include the additional Proposed Production Areas. Each Production Area so covered by a Mining License is an "approved Production Area" for the purposes of this Agreement. Unless expressly otherwise provided in this Agreement, if there is a conflict between the terms of any Regulations and the terms of this Agreement, the terms of this Agreement shall prevail

5.8 Term of Mining Licenses.

- a. The term of any Mining License granted to the Company under this Agreement shall commence on the date such license is issued and shall end on the earlier of (i) the date requested by the Company (not beyond 25 years from the date the Mining License comes into effect) and (ii) the date the Mining License is relinquished pursuant to Section 5.8(c) or terminated pursuant to Section 25 (the "Mining Term"). The Company is entitled to renew any Mining License for consecutive additional terms not to exceed 25 years each if the Company has complied with all of its payment obligations under this Agreement and under the Agreed Revenue Code (as amended by this Agreement), and the Government has not notified the Company that it is in default in any material respect with its other obligations under this Agreement and the Mining Law (as modified by this Agreement), other than any defaults which have been waived by, or cured to the reasonable satisfaction of, the Government, if:
 - i) the Company demonstrates that there continues to exist in one or more approved Production Area Mineral Resources covered by such Mineral License in sufficient quantities to support continued mining for at least 80% of the renewal term requested by the Company (assuming no interruptions to production); and
 - ii) if the continued operations will involve substantial additional investment or significant changes in production processes, the Company has delivered and the Minister has approved in the manner provided in Section 5.7 an updated Feasibility Report which complies

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with applicable Law and sets forth the Company's development and operations plans for the extended term and otherwise complies with the requirements of Section 5.4 through to Section 5.6.

The Company 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 the current Mining License. Any renewed Mining License shall be on the terms set out in, and shall be governed by, this Agreement.

- b. Any failure by the Government to give notice to the Company in accordance with this Section 5.8(a) shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Mining Law (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.
- c. The Company may relinquish a Mining License on at least 90 days notice to the Government if:
 - i) the Company confirms in such notice its obligation to and willingness to carry out the approved closure management plan applicable to the operations carried out under the relinquished license and in accordance with the funding requirements agreed to between the parties pursuant to Section 5.5(f);
 - ii) the arrangements made by the Company for funding the performance of its approved closure management plan are sufficient to secure such performance in accordance with the funding requirements agreed to between the parties pursuant to Section 5.5(f);
 - iii) as of the date of termination the Company has complied with Section 26 in all material respects with respect to each Production Area covered by such Mining License; and
 - iv) to the extent provided, the Mining Guarantee has not been revoked and the Guarantor is in compliance with the Mining Guarantor Net Worth Requirements.
- d. Notwithstanding the relinquishment of a Mining License pursuant to Section 5.8(c), the Company shall remain liable to the Government for all obligations and liabilities that accrued prior to the date set as the effective date of relinquishment and have not been waived by the Government. Upon relinquishment of a Mining License, all right, title and interest in the Feasibility Reports or portions thereof covered by such Mining License shall automatically vest in the Government subject to the Company continuing to be able to use such information in connection with other projects in Liberia.

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5.9 Additional Capital Investment or Material Changes in Operations.

If the Company proposes additional investment relating to changes in Mine operating technology or procedures, which investment exceeds 25% of the investment amount provided for in the initial Feasibility Report (other than additional investment required as a result of cost overruns in the development and construction contemplated in the approved Feasibility Report), it may not make such investment until it has delivered and the Minister has approved in the manner provided in Section 5.7 an updated Feasibility Report setting forth the Company's development and operations plans and otherwise complying with the requirements of Section 5.4 through Section 5.6. If, in connection with such additional investment, the Company proposes to make substantial changes in its methods of operations that would materially affect employment or could materially affect the environment or employment in or resettlement of the communities in the area affected by such changes, it may not do so until it has updated its EIA, EMP, SIA and SAP, and the plans referred to in Sections 5.4(e) and 5.4(f) to reflect the consequences of such proposed changes, such plans have been made available for public comment for at least 60 days in the manner required by clause (iii) of Section 5.7(b), and the Minister (the EPA in the case of the EIA and the EMP) has approved such plans, such approvals not to be unreasonably withheld or delayed.

SECTION 6 – CONSTRUCTION AND OPERATIONS

6.1 Capital Expenditures; Construction.

- a. Upon the issuance to the Company of a Mining License pursuant to Section 5 and until the termination or surrender of such license in accordance with this Agreement, subject to any delays as a result of any of the events contemplated in Section 6.2(b), Section 19.11, Section 24.5 or Section 29, the Company shall use commercially reasonable efforts in good faith to:
 - i) incur capital expenditures and commence, continue and cause to be completed construction, acquisition and installation of each proposed Mine and all related Mining Plant, Infrastructure and equipment, in accordance in all material respects with the schedule set forth in the Development Plan contained in the approved Feasibility Report relating to such Mining License; and
 - ii) carry out the capacity demonstration test provided for in Section 6.2 within the period of time provided in Section 6.2.
- b. The Company may not make material changes to the Development Plan unless it receives the approval of the Minister to appropriate amendments, and to the extent applicable, the Feasibility Report and the related plans, reports and studies provided for in Sections 5.4 through to 5.6, which approval may not be unreasonably withheld or delayed. Any such application shall be accompanied by the processing fee required by Section 16.1(f).

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- c. Prior to undertaking the final capacity demonstration test set forth in Section 6.2, the Company must deliver to the Minister a certificate of the chief executive officer of the Company to the effect that the construction, acquisition and installation of all Mines and all Mining Plant, Infrastructure and equipment have been completed in accordance in all material respects with the designs, plans and specifications forming the basis of the approved Feasibility Report (except to the extent any portion thereof is not scheduled for completion until after the commencement of production of marketable Iron Ore or other Mineral in the commercial volumes contemplated by the Feasibility Report).

6.2 Completion.

- a. With respect to each proposed Mine, within 180 days of the scheduled completion date thereof set forth in the Development Plan (subject to delay on account of any of the matters referred to in Section 6.2(b), Section 19.11(b) or (c), Section 24.5 or Section 29), the Company shall demonstrate, through performance of the proposed capacity demonstration testing program set forth in the Feasibility Report, that the Mine and all related Mining Plant, Infrastructure and equipment have substantially the operating capacities set forth in the Development Plan. As noted in Section 5.4(a), required extended capacity demonstration covering major components of the Mine, Mining Plant and Infrastructure may be conducted separately. Thus, if the Feasibility Report and the Development Plan call for a two-stage development, with the initial stage being completion of a Mine, with the initial Iron Ore or other Mineral processing facilities and railroad and port facilities tailored to the capacity of that Mine, followed by a second stage encompassing the development of a second Mine and upgrade of the Iron Ore or other Mineral processing facilities, railroad and port, each capacity demonstration test for the first stage Mine, Mining Plant, Infrastructure and equipment must be completed within 180 days of the stage one scheduled completion date for the components covered by that test, and each capacity demonstration test for the second stage must be completed within 180 days of the stage two scheduled completion date for the components covered by that test (subject to delay on account of any of the matters referred to in Section 6.2(b), Section 19.11(b) or (c), Section 24.5 or Section 29).
- b. The period referred to in Section 6.2(a) shall be extended for such period of time which is equivalent to the period of any delay resulting from overruns which occur prior to Substantial Construction Completion if the relevant overrun is as a result of circumstances which are reasonably within the control of the Government (or of one of its agents or contractors), which has not resulted from the Company's own default and could not have been avoided or overcome by the Company through the exercise of due diligence, and which has resulted in a delay of more than 30 consecutive days provided that such 30 day period shall only commence upon the date that the Company notifies the Government that an event is occurring which is causing a delay which is or is

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likely to fall within this Section 6.2(b), giving details of the circumstances causing the delay.

- c. Following notification of a delay pursuant to Section 6.2(b), the Government may inform the Company that it does not consider that the delay is one which permits the Company to an extension under Section 6.2(b). Following receipt by the Company of such notification, the parties shall in good faith seek to reach agreement within 30 days thereof as to the cause of the delay and the appropriate length of time, if any, of the period of the delay and accordingly the extension of time to the period to reach Substantial Construction Completion.
- d. The Company shall give the Ministry notice of, and the opportunity to have representatives witness, all testing required by the Development Plan and shall evidence the satisfaction of each component of the required capacity demonstrations by the timely delivery to the Minister of written confirmation by the Company to the effect that the Company has successfully completed such component of the capacity demonstration program and has demonstrated the capacities required by such component (setting out the requirements and time period covered by the demonstrations and certifying specifically as to the actual results of the demonstrations) and reached Substantial Construction Completion.

6.3 Mining Term Operations.

- a. All Mining, processing or treatment of Iron Ore or other Mineral by the Company shall be conducted in accordance with International Standards and applicable Law. Subject to Section 6.2(b), Section 19.11(b) or (c), Section 24.5 or Section 29, the Company undertakes, during the Mining Term, to use all reasonable efforts in accordance with such standards and applicable Law to maintain the production of marketable Iron Ore or other Mineral of the quality and in the quantity contemplated by the Feasibility Report, provided that, in the reasonable opinion of the Company, it is economically and technically feasible to do so, having regard to matters affecting production, including the impact of market conditions, and on written request from time to time shall submit evidence to the Minister of compliance with this undertaking.
- b. The Company 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 covered in the Company's EIA and approved in the context of the Company's EMP and, then only within a Production Area or an area in which the Company is otherwise entitled by Law, this Agreement and by agreement with any relevant Landowner to carry on such activities. The preceding sentence does not authorize the Company to take any action that would violate Section 10.1 of the Mining Law. The Company may not transfer to any Person timber removed from the Land pursuant to the Mining Law without the consent of the Forestry Development Authority (or such other agency of the Government

notified by the Government for such purpose). The Company shall not deprive any Person of a constant and reasonable supply of usable water from or pollute a previously utilized traditional source without providing an alternative source of substantially the same quality and quantity, nor shall the Company, without the Minister's consent and at least 30 days prior notice to the affected community, 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. The Company must cause all Mines, Mining Plant, Infrastructure and equipment constructed, renovated or acquired by it in relation to such Mining License to be maintained throughout the Mining Term in a safe and sound condition in accordance with International Standards and any requirements of insurers.
- d. Save to the extent this Agreement has been or will be terminated or the relevant Mining License has been or will be surrendered as a result of loss or damage to property, in the event of any loss or damage to the property of the Company used in Operations the subject of a Mining License, the Company shall promptly proceed to restore such property to the extent necessary to begin or resume Operations conducted prior to such loss or damage.
- e. The Company may contract the construction and/or operation of all or any portion of a Mine, Mining Plant or Infrastructure to any Person who has the technical expertise and financial ability (whether through the provision of funds by the Company or otherwise) to conduct such construction or operation, provided that from the Production Operating Period the Company (together with the Permitted Liberian Operator) shall conduct through its own employees the principal activities relating to Production or the Company Constructed Infrastructure. If the Company contracts any construction or operation in accordance with the foregoing sentence, the Company is responsible to the Government for the compliance in all material respects by such third party with all requirements of this Agreement applicable to the construction or operations undertaken by such contractor as though such construction or operations were undertaken by the Company provided that the Company shall continue to be required to comply with its obligations under this Agreement notwithstanding it having contracted with another Person for the purposes of that Person undertaking such construction and/or operations. The percentage requirements of Section 11.1(d) shall apply to the operations of any such contractor(s). Material operating and/or construction contracts must be disclosed in each annual operating report of the Company under Section 6.5(e).

6.4 Increasing Liberia-Based Value-Added Production Capacity.

- a. Upon request, the Company will provide financial assistance of up to US\$500,000 to the Government for the purposes of funding the initial costs of

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conducting a scoping study to assess the potential to establish downstream Iron Ore processing facilities in Liberia, provided that the Company shall not be obliged to incur any costs beyond the initial costs of such a study.

- b. At any time if the Company wishes to establish its own further beneficiation, pelletization, refining or manufacturing facilities in Liberia, it can do so pursuant to applicable Law, provided that any such facilities shall be deemed additional Mining Plant to be incorporated in an amended Feasibility Report satisfying the requirements of Section 5.
- c. If the Company wishes to establish its own further beneficiation, refining or manufacturing facilities in Liberia, it shall submit to the Minister copies of any studies relating to the feasibility of establishing in Liberia such facilities prepared by or at the direction of the Company.
- d. In the event that further beneficiation, pelletization, refining or manufacturing facilities are proposed to be established in Liberia by an entity other than an Affiliate of the Company for the further processing of products of the type produced by the Company, unless the Company or one of its Affiliates carries out the beneficiation, pelletization or refining of the Product(s) Mined by the Company, the Company shall agree to make its Product(s) available to that entity for further processing on commercial terms (including price) on a toll basis not less favorable to the Company than the terms that can be obtained by the Company for such products outside of Liberia. This obligation of the Company is subject and subordinate to any further beneficiation, refining, manufacturing or marketing contracts with third parties entered into by the Company prior to the Company's receipt of a written request to commit Product(s) to such facilities, but in the case of any such contract, only for such period of time as the Company has no right to terminate (without penalty), nor any right to decline to renew or extend, such contract.

6.5 Company Reporting Requirements.

The Company shall submit to the Minister (and the Minister of Finance, in the case of Section 6.5(f)) the following Production and financial reports, in addition to the financial statements required by Section 17.4:

- a. prior to the grant of a Mining License, those reports required by Section 6 of the Exploration Regulations;
- b. following the grant of a Mining License but prior to satisfaction of the capacity demonstration requirement set forth in Section 6.2, a six-monthly report on the progress of construction of the Mining Plant and Infrastructure provided for in the approved Feasibility Report, indicating progress and expenditures to date, and estimated date of satisfaction of the capacity demonstration requirement;

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- c. a quarterly statistical report (which shall be delivered for every quarter, including months ending an annual reporting period) beginning with the calendar quarter in which commencement of the Production Operating Period occurred, setting forth (i) the amounts of Iron Ore or other Mineral Mined, the amounts of Iron Ore or other Mineral processed at the Mine, the amounts of Product(s) shipped to the port, the amounts of Product(s) exported, the amounts of Product(s) otherwise disposed of and the stocks of mined Iron Ore (or other Mineral) and Product(s) at the end of the period at the Mine and at the port (Product(s) in transit being deemed located at the port), (ii) the number and location of the workings on which work was performed during the preceding quarter, (iii) the number of workers employed thereon at the end of the quarter, and (iv) a brief description of the work in progress at the end of the quarter and of the work contemplated during the following quarter;
- d. a quarterly operating report, beginning with the calendar quarter in which the commencement of the Production Operating Period occurred, concerning the progress of its operations in the Production Areas that are the subject of 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 of such data), 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 workers 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;
- 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

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kind and quality and analyses of Products 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) the total volume of Products, kind-by-kind, broken down into volumes Mined, volumes transported from the Mines and their corresponding destination, volumes stockpiled at the Mines or elsewhere in Liberia, volumes sold or committed for export (whether actually shipped from Liberia or not), and volumes actually shipped from Liberia (with full details as to purchaser, destination and terms of sale);
 - 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;
 - iv) a report on all other Production and activities for that Financial Year;
 - v) as a supplement, a report describing in reasonable detail the actions the Company has taken during the reporting year to comply with the requirements of each of Sections 8 through 12; 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 Product(s) produced and shipped from Liberia or Transferred to a third party in Liberia during the Financial Year and the computation of the Royalties or any other Taxes and Duties imposed with respect to the quantity of Product(s) so shipped or so Transferred, in each case paid or remaining to be paid on such shipments or Transfers.

The Company shall also provide the Government any monthly operating reports that it regularly provides to any of its Affiliates and 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 of such operations and activities. All quarterly reports required under this Section 6.5 shall be submitted within 30 days of the end of the quarter in question, and all annual reports required under this Section 6.5 shall be submitted within 60 days of the end of the Financial Year in question. Each report referred to in Sections 6.5(a), 6.5(b), 6.5(c), 6.5(d) and 6.5(e) shall be certified as true and correct by the chief executive officer and the chief operating officer of the Company. The report referred to in Section 6.5(f) shall be certified as true and correct by the chief executive officer and the chief financial officer of the Company.

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6.6 Books and Records.

The Company shall maintain at its principal office in Liberia, or at such other offices 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 and financial reports and other data obtained or compiled by the Company as a result of Operations. Section 11.3 of the Exploration Regulations shall not apply to such information, data and material. The Government shall have full access to inspect on site all such information, data and material, following receipt by the Company of at least three Business Days' prior written notice provided that such access does not unreasonably interfere with Operations.

6.7 Inspection.

The Ministry and other agencies of the Government having jurisdictions (such as the EPA and any governmental entity at the time responsible for employee safety and welfare) shall have the right to monitor Operations (including inspecting relevant documents) from time to time and may, following receipt by the Company of at least three Business Days' prior written notice, visit and inspect any of the facilities and Operations of the Company in Liberia, provided that no prior written notice is required where the inspection relates to a concern regarding employee health and safety or a negative environmental impact. As a condition to permitting such inspection, the Company may require (i) receipt of a copy of written instructions to conduct such inspection from an official senior to the official purporting to conduct the inspection, manually and legibly signed on the letterhead of the relevant ministry or Government agency, and (ii) viewing and copying the identification of the persons claiming the right to conduct such inspection.

6.8 Insurance.

- a. Subject to Section 6.8(c), at all times during the Mining Term (including during the construction period) the Company will maintain with financially sound and reputable insurers holding a Standard & Poor's rating of at least A- or equivalent, insurance with respect to its properties, including any properties leased or deemed to be leased from the Government or a third party (including railroad and port facilities), 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. Such insurance shall include:
 - i) protection against loss or damage to property of the Company;

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- ii) third-party liability insurance (as to which the Government must be noted); and
 - iii) to the extent commercially available on reasonable terms, business interruption insurance.
- b. Where an event occurs which gives rise to an ability to claim against the third-party liability insurance maintained by the Company pursuant to Section 6.8(a), the parties shall agree with respect to the appropriate claim to make and the use of the proceeds of such claim. The Government shall not be entitled to file a claim against the third-party liability insurance unless otherwise agreed with the Company. The Company shall have no obligation to re-invest insurance proceeds save for the social infrastructure which is constructed by, or on behalf of the Company, around a Production Area, being permanent employee housing, medical facilities and schools. In respect of other claims if the Company does not re-invest the proceeds and as a result there is no material production or processing in a Production Area then in respect of that Production Area the Company shall agree arrangements with the Government for the relinquishment of that Mining License.
- c. For so long as the Company or any of its Affiliates has an investment grade credit rating with an internationally recognized credit rating agency, at the option of the Company, it may self-insure through its Affiliates in addition to or in substitution for maintaining insurance in accordance with Section 6.8(a).
- d. The Company must provide the Government at least annually with evidence as to the existence of the insurance referred to in Section 6.8(a) or (c). For the avoidance of doubt the Company is not required to insure with Liberian insurance providers.

SECTION 7 – LAND AND FACILITIES

7.1 Surface Rights.

- a. Subject to Section 6.3(b), the Company shall, subject to any third party rights which may exist under applicable Law prior to the Effective Date and subject to any terms and conditions that may be imposed on the Company as described in the second sentence of Section 5.1(b), have (i) the right to enter upon, occupy and utilize Land included in the Exploration Area and (ii) following the issue of a Mining License, the exclusive right to enter upon, occupy and utilize Land included in a Production Area for purposes of and incidental to Operations.

- b. To the extent any private Landowners or Occupants of Land have an interest in Land included in the Exploration Area (and, following the issue of a Mining License, a Production Area), the Company shall have the right to (i) negotiate directly with such Landowners or Occupants of Land (to the extent that said owners or occupants can provide reasonable evidence of their property interests to own or occupy said Land in accordance with the Law) and (ii) to acquire such rights to Land in the Exploration Area as it requires subject to the payment of reasonable compensation to the Landowners or Occupants of Land so utilized for loss of or diminution in the value of such Land (or the products of such Land) attributable to Operations.
- c. The Company may apply to the Government for assistance in acquiring rights to the relevant private Land, including providing assistance for the purposes of clarifying the nature and extent of any title to Land. To the extent that the Company is unable to reasonably acquire such rights as are necessary to occupy or use the relevant Land in accordance with Section 7.1(b) above, the Government will use its powers of eminent domain to enable the Company to acquire such rights to the relevant Land from an unwilling Landowner or Occupant of Land.
- d. To the extent that there is any inconsistency between the Laws relating to the matters set out in this Section 7 (whether in effect at the Effective Date or enacted thereafter) and this Agreement, this Agreement shall prevail.

7.2 Limitation on Exploration and Production.

This Agreement may not be construed to permit the Company to:

- a. Explore for Iron Ore or any other Minerals (i) outside of the Exploration Area or (ii) following the end of the relevant Initial Exploration Period under this Agreement (other than Exploration for Iron Ore or other Minerals in a Proposed or actual Production Area); or
- b. to produce any Minerals from outside an approved Production Area.

7.3 Acquisition of Land Use Rights Outside a Production Area.

- a. To the extent otherwise permitted by applicable Law, the Company is permitted to acquire surface land use rights in respect of Land which is not included in the Production Area sufficient to entitle it to construct, install and operate Mining Plant or Infrastructure. If following the approval of a Feasibility Report the Company cannot reasonably obtain sufficient land use rights to enable it to construct, install and operate Mining Plant or Infrastructure provided for in the approved Feasibility Report, the

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Government will make available to the Company for such purposes Land owned by the Government. If the Government cannot make available to the Company sufficient surface rights in such Land and the Company is unable to acquire sufficient rights from relevant third parties on reasonable terms and conditions, the Government shall assist the Company in acquiring sufficient rights for such purposes, including providing assistance for the purposes of clarifying the nature and extent of any title to Land. If no other surface rights are reasonably available to the Company for such purposes the Government will use its powers of eminent domain to obtain such rights from an unwilling third party.

- b. Surface rights made available by the Government from areas it owns shall be made available without cost to the Company on the condition that the Company may not utilize such rights for any commercial purpose other than:
 - (i) the conduct of Operations; and
 - (ii) the provision of housing, medical care and education facilities, and any services incidental thereto made available, to employees of the Company and their families.

7.4 Costs of Acquisition of Land Use Rights.

- a. All costs incurred by the Company or by the Government at the request of the Company in connection with the acquisition by the Company from parties other than the Government of rights in Land for activities provided for in an approved Feasibility Report, including costs incurred by the Government pursuant to its exercise of its powers of eminent domain, shall be borne by the Company. Payment shall be due within 30 days following receipt by the Company of a statement from the Government setting forth the amounts for which reimbursement is sought.
- b. The Company shall have no obligation to make any payments with respect to such Land rights pursuant to Section 15.4, but its right to occupy such Land terminate at the end of the Term, or, if earlier, at such time as it is no longer used in the Company's business if other use can be made of such Land without danger to the Occupants of Land or other users of the relevant areas or interference with the Company's business.

SECTION 8 – COMMUNITY RESOURCES

8.1 Community Responsibility.

It is the policy of the Government and the obligation of the Company to develop programs for the development and maintenance of the economic and social viability of the centers of population that have formed and that may form as a result of Operations during the term of this Agreement. Upon the reasonable request of the Government at any time the Company shall work with the Government and the local



communities affected by Operations to establish plans and programs for the implementation of this objective, and thereafter the Company shall in good faith cooperate with the Government with regard to its efforts concerning the realization of such plans and programs, provided that the Company shall be under no obligation to provide financial assistance or otherwise commit resources for the purpose of achieving such plans and programs other than as specified in this Agreement.

8.2 Community Funding Obligation

- a. The Company shall provide the annual social contribution set forth below, which shall be paid annually in accordance with Exhibit 8, commencing with the first day of the calendar quarter beginning next after the Effective Date and on each anniversary of the Effective Date for the Term. Upon payment of such annual social contribution, the Company shall have no obligation to pay any further sums pursuant to Section 9.3 of the Exploration Regulations or other applicable Law.
- b. The Annual Social Contribution and utilization of such funds for specific projects shall be managed by a dedicated committee (the "Committee") in accordance with the structures established by the Government from time to time provided, that in all cases (i) the Company shall at all times have at least one representative on the Committee; (ii) structures and processes will be established to provide for the participation (in a decision-making or advisory capacity as the Government shall determine from time to time) of officials, businesses and residents from the affected counties in the identification and selection of projects to be supported with funds from the Annual Social Contribution; (iii) no funds shall be dispersed from the Annual Social Contribution, if, in the Company's view, the disbursement of the funds or the project supported by the funds would cause the Company to be in violation of applicable law, including any applicable anti-corruption laws; (iv) funds from the Annual Social Contribution may be disbursed (A) only for direct delivery of services and community Infrastructure improvements, and not to fund the general work programs of administrative offices or officials save funding of customary and reasonable compensation and benefits for the Committee's administrative assistant and of reasonable amount for basic office supplies, and (B) except as provided in Exhibit 8, only for the benefit of Liberian communities in the affected counties. Projects supported with funds from the Annual Social Contribution and the actual disbursements from the Annual Social Contributions shall be publicly disclosed and shall be subject to the same audit procedures provided for expenditures by the Government of Liberia and as may be further provided by Law. Periodic reports and audit reports shall be made available to the Company and to the public and the Company shall have the right to independently audit (at its own expense) any disbursement or expenditure made or project supported with funds from the Annual Social Contribution and for this purpose shall be provided with and have access to all relevant documentation and information.

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c. The annual social contribution shall be:

- i) US\$100,000 per annum in respect of each Exploration License which is in effect relating to the Initial Exploration Area payable in respect of the period from the Effective Date, or, if later, the date on which the relevant Exploration License comes into effect, until the earlier of (A) the grant of a Mining License pursuant to Section 5.3 in respect of the relevant part of the Initial Exploration Area, (B) the termination or cessation of the Exploration License or (C) the termination of this Agreement;
- ii) US\$250,000 per annum in respect of each Mining License which is in effect relating to the Initial Exploration Area payable in respect of the period from the date a Mining License comes into effect until the earlier of (A) Substantial Construction Completion, (B) the termination or cessation of the Mining License or (C) the termination of this Agreement provided that not more than US\$1,000,000 shall be payable by the Company in respect of all Mining Licenses issued in respect of the Initial Exploration Area; and
- iii) US\$3,000,000 per annum after Substantial Construction Completion until the earlier of (A) the termination or cessation of the Mining License or (B) the termination of this Agreement, and upon payment of which, no further sums shall be payable under clauses (i) and (ii) of this Section 8.2(c) in respect of any and all Exploration Licenses and/or Mining Licenses,

provided that, following Substantial Construction Completion, the amount payable by the Company per annum shall be US\$3,000,000 which shall comprise any and all amounts payable by the Company in respect of annual social contributions under this Agreement and applicable Law other than any Additional Contributions which may be payable pursuant to Section 8.2(d).

d. Upon the coming into effect of an Exploration License or Mining License (as the case may be) in respect of any part of the Additional Exploration Area, the Company shall pay the following additional annual social contribution (an "Additional Contribution"):

- i) US\$100,000 per annum in respect of each Exploration License which is in effect relating to the Additional Exploration Area payable in respect of the period from the date on which the relevant Exploration License comes into effect until the earlier of (A) the grant of a Mining License in respect of the relevant part of the Additional Exploration Area, (B) the termination or cessation of the Exploration License or (C) the termination of this Agreement provided that not more than US\$400,000 shall be payable by the Company in respect of all

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Exploration Licenses issued in respect of the Additional Exploration Area;

- ii) US\$250,000 per annum in respect of each Mining License which is in effect relating to the Additional Exploration Area payable in respect of the period from the date a Mining License comes into effect until the earlier of (A) Substantial Construction Completion, (B) the termination or cessation of the Mining License or (C) the termination of this Agreement provided that not more than US\$1,000,000 shall be payable by the Company in respect of all Mining Licenses issued in respect of the Additional Exploration Area; and
- iii) US\$750,000 per annum in respect of each Mining License which is in effect relating to the Additional Exploration Area after Substantial Construction Completion in respect of such Mining License has occurred until the earlier of (A) the termination or cessation of the Mining License or (B) the termination of this Agreement provided that not more than US\$2,250,000 shall be payable by the Company in respect of all Mining Licenses issued in respect of the Additional Exploration Area, and

provided that an Additional Contribution shall only be payable in circumstances where, in the case of clause (i) of this Section 8.2(d), following the grant of the relevant Exploration License the number of Exploration Licenses comprising the Exploration Area which are in effect exceeds four and, in the case of clauses (ii) and (iii) of this Section 8.2(d), following the grant of the relevant Mining License the number of Mining Licenses in effect exceeds four.

SECTION 9 – PUBLIC HEALTH AND SAFETY

9.1 Safety Procedures and Notifications.

In connection with Operations, the Company shall install, maintain and use such modern health and safety devices, work gears 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 Company shall notify the Government promptly of any death of or serious injury to any employee of the Company or any of its contractors that occurs as a result of Operations (which for the avoidance of doubt shall not include the contraction of malaria). For the purposes of this Section 9, a serious injury means an injury that is likely to cause the injured Person to lose five or more working days.

9.2 Security.

- a. Following the grant to the Company of a Mining License, the Company may, directly or by contract with a responsible provider of security services,

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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 Company 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 October 2009 located at: <http://www.voluntaryprinciples.org>), provided that if at any time during the Term the foregoing principles are no longer published on the Internet, the last available published form shall apply to this Section 9.2(a) unless and until the parties agreed upon an alternative set of principles to be applied. Those members of the Company’s (or such contractor’s) security services as being certified by the Ministry of Justice or as having received training in police and law enforcement procedures given by an outside contractor (which contractor has been certified by 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 Company’s security services 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 Company’s security services, 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 and when requested by Liberian National Police. The Company’s security services 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 Company must coordinate the activities of the Company security services, or to the extent that a contractor provides such security services to the Company, the Company shall procure that such contractor shall coordinate, with the Government’s police and law enforcement authorities and report (or procure that the relevant contractor reports) quarterly to the Minister of Justice (with a copy to the Minister) on the activities of the Company’s or its contractor’s security services (as applicable), 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, provided that where the Company’s or its contractor’s security services have detained any person, the Company or its contractor (as applicable) must report to the Minister of Justice (with a copy to the Minister) as soon as practicable and in any event within a month of the relevant detention. Each such report shall be certified by the chief executive officer of the Company (or by the equivalent person within the contractor, as applicable) as being true and correct.

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- d. The Company will adopt reasonable measures to require compliance of the members of its security services, whether its employees or the employees of a contractor, with all requirements of this Section 9.2.

9.3 Employee Housing.

- a. Prior to the Start of Commercial Production, the Company shall provide temporary single person accommodation to those employees of the Company and any Permitted Liberian Operator who are working away from their usual place of residence as detailed in their contract of employment. Working away from an employee's usual place of residence occurs where an employee is required to travel for more than one hour and 30 minutes from their usual place of residence to their work location. Such accommodation shall include access to bathroom facilities with a minimum of a shower and toilet and access to clean and safe water.
- b. The Company shall, from the Start of Commercial Production, either directly or indirectly, ensure access to housing for the employees of the Company and any Permitted Liberian Operator and shall ensure that such housing conforms to minimum standards as agreed between the Government and the Company including ensuring those requirements set out in Sections 9.4 to 9.6. The intention of this clause is not to create a company owned and run mining town, but rather to provide access to housing by promoting home ownership and the integration of the mining community into existing local structures thereby stimulating the private property market. This may be achieved through the provision of a housing allowance to such employees or, with the assistance of the Government, through the creation of a home ownership scheme for the purchase of existing or newly constructed housing. To the extent there is not adequate housing in existence, the Company shall construct, or cause a third party to construct, such housing which shall conform to the minimum standards.

9.4 Sanitation.

Access to housing under Section 9.3(b), will include provision for bathroom facilities with a toilet, sink and shower located in each house. The Company 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.

Access to housing under Section 9.3(b), will include provision for a clean and safe pipe-borne water system for all houses. In addition, the Company 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.

9.6 Size of Houses.

Each family house will have separate bedrooms for parents and children, and, in addition separate bedrooms for male children and female children, i.e. a minimum of 2 or 3 bedrooms.

SECTION 10 – MEDICAL CARE

From the Start of Commercial Production the Company shall ensure that there is available to the employees of the Company and any Permitted Liberian Operator, their resident spouses and their resident dependants up to the age of 21 as maintained in the Company's or Permitted Liberian Operator's records from time to time ("Employees and Dependants") health facilities to at least the level specified by the Minister of Health as being the level and standard of health facilities generally required to be maintained by the Ministry of Health for the number of Employees and Dependants in that area.

Where in each Production Area (and in each other area in which the Company or Permitted Liberian Operator has employees) there are not sufficient existing health facilities reasonably available then upon the commencement of construction of the Mining Plant and Infrastructure, the Company shall construct or cause to be constructed, and during Production the Company shall maintain and operate or cause to be maintained and operated such health facilities. All such health facilities shall be staffed with qualified medical personnel and shall be properly equipped and supplied for the level of service required in accordance with the standards set by the Ministry of Health. Treatment at such facilities for Employees and Dependants shall be free of charge.

The Company shall make such health facilities which it has constructed available to provide medical services to other members of the local community to the extent that capacity exists on the basis the Company shall be entitled to charge such persons an amount equal to full cost of providing the service and/or treatment.

In the event that a relevant Production Area or other area already contains appropriate health facilities then the Company may discharge its obligations under this Section 10 in respect of that area by making arrangements (including through the provisions of insurance) for such Employees and Dependants to receive healthcare at such facilities, at the cost of the Company but no cost to the Employees or Dependants.

SECTION 11 – EMPLOYMENT, TRAINING AND EDUCATION

11.1 Employment.

- a. Employment practices of the Company and any Permitted Liberian Operator must conform to applicable labor practices Law and other applicable Law and the Company will oblige any contractors or sub-contractors to comply with this provision with respect to their own employment practices.
- b. None of the Company, any Permitted Liberian Operator, nor any other contractor or sub-contractor may hire individuals who are not citizens of Liberia for unskilled labor positions.

- c. The Company and any Permitted Liberian Operator must (and the Company will oblige any other contractors or sub-contractors to) 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 such positions become available unless and to the extent that such competent and suitably qualified citizens are not available for such positions, it being the objective of the parties as soon as is practicable that the Operations under this Agreement should be conducted and managed primarily by citizens of Liberia.
- d. In furtherance of the obligations under Section 11.1(b), the Government and the Company shall agree prior to the approval of the Feasibility Report on progressive implementation of an employment schedule with the objective of citizens of Liberia holding at least 30% of all management positions including 30% of its ten most senior positions within five years of the initial grant to the Company of a Mining License under this Agreement, 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 and it shall, at all times, be in the Company's reasonable judgment as to whether a Person is suitably qualified for a particular position, having regard to all relevant criteria, including such Person's skills and training and any health and safety considerations.
- e. Subject to the above, the Company and any Permitted Liberian Operator 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 recognize 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 recognized institution or statutory authority in any other country having a substantial mining industry or internationally recognized mining education institution.

11.2 Training of Liberians.

Following the grant to the Company of a Mining License under this Agreement, the Company and any Permitted Liberian Operator 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 all other skilled positions, and as required by Operations provide on-the-job training, operate vocational training facilities, and utilize whatever other measures are necessary and reasonable to transfer to other citizen employees the ability to work in skilled trades and to supervise other tradesmen and laborers.

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11.3 General Education Funding.

- a. The Company commencing on the Effective Date shall provide:
 - i) annually through a Company administered program a total of US\$200,000 in high school and university scholarships for study in Liberia (subject to Section 11.3(c)), one quarter of such amount to be reserved for students who are permanent residents of the county or counties in which the Production Areas and port facilities are located; and
 - ii) US\$50,000 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.
- b. The amount referred to in clause (ii) of Section 11.3(a) shall be paid to the general revenue account and earmarked for the University of Liberia.
- c. The Company's obligation under clause (i) of Section 11.3(a) shall include, but is not limited to, the funding in each year (commencing in the year the first Mining License is granted) of the expenses of at least one Liberian citizen in a recognized graduate school for a master's degree or the equivalent in geology, mining engineering, or a related field. The Company may condition such funding on an agreement of the student to work for the Company, an Affiliate of the Company or an Affiliate of a shareholder of the Company upon graduation. For the avoidance of doubt, such funding shall count towards the satisfaction of the Company's obligation under clause (i) of Section 11.3(a).
- d. From the Start of Commercial Production the Company will ensure that there is available to the resident dependent children (up to the age of 21) of the Company's and any Permitted Liberian Operator's employees (as maintained in the Company's or Permitted Liberian Operator's records from time to time) free primary and secondary education (K-12) with such schools being operated to at least the standards set by the Ministry of Education.

11.4 Scientific Research Fund.

The Company shall also make an annual contribution of US\$100,000, with the first annual payment due upon the July 1 next following the approval of a Feasibility Report under Section 5.7, and on each July 1 thereafter. Such amounts shall be paid into the general revenue account and earmarked for the Scientific Research Fund.

11.5 Audit Rights.

The Company shall have the right to independently audit (at its own expense) the use of any contributions made pursuant to Sections 11.3(b) and (d) or

Section 11.4 and for this purpose shall be provided with and have access to all relevant documentation and information. The Company shall not be required to make any contribution under Sections 11.3 and 11.4 that, in its view, would cause the Company to be in violation of applicable law including applicable anti-corruption laws.

SECTION 12 – USE OF LIBERIAN GOODS AND SERVICES

When purchasing goods and services related to Operations, the Company and any Permitted Liberian Operator must, and must cause its major contractors to, (i) organize their procurement practices to give meaningful opportunities to bid for contracts to those entitled to preference pursuant to clause (ii) of this sentence, and (ii) give preference to the maximum extent possible to materials and goods produced in Liberia and services provided by citizens resident in Liberia or entities incorporated or formed in Liberia where citizens of Liberia resident in Liberia are entitled to receive 60% or more of all profits from such entities, 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. Subject to the foregoing, the Company and its major contractors may freely contract with any Person. The Company must report to the Minister within 60 days following the end of each Financial Year on the extent to which the Company and its major contractors acquired during such year materials, goods and services from the preferred sources described in the first sentence of this Section. A “major contractor” for the purposes of this Section and the reporting requirement in the preceding sentence is a contractor or a subcontractor who received more than US\$500,000 directly or indirectly from the Company in that year and who had significant operations in Liberia in that year. Operations such as maintaining a representative office, or the presence of supervisory personnel to inspect or direct work performed by other contractors, do not constitute “significant operations” for the purposes of this Section 12.

SECTION 13 – ENVIRONMENTAL PROTECTION AND MANAGEMENT

13.1 The Company's Duty.

The environmental responsibilities of the Company during Exploration are as set forth in the Exploration Regulations (as modified by this Agreement), save that the environmental consultant referred to in Section 10.2 of the Exploration Regulations may be an employee of the Company or of an Affiliate. Following the grant of a Mining License to the Company, the Company must conduct its Operations in accordance with Sections 8.1 through 8.3 of the Mining Law, applicable Law, The World Bank/IFC Environmental Health and Safety Guidelines for Mining, the approved EMP and this Agreement. The Company 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 Operations violate any requirement referred to in the two previous sentences or otherwise have material adverse impact on the environment, the Company must proceed diligently to restore the environment as much as possible to its original and natural state (or to remediate

the negative impact where restoration is impractical) and must take appropriate preventive measures to avoid further material adverse impact on the environment.

13.2 Environmental Reports and Audits.

- a. The Company must deliver to the Minister, within 60 days after each anniversary of the date of the grant of the Mining License, an environmental report prepared by the Company which shall include an assessment of the Production Areas under such license plus all areas outside of the Production Areas in which the Company conducts Operations.
- b. The Company must deliver to the Minister (i) once every two years commencing with the second anniversary of the submission of the first environmental report pursuant to Section 13.2(a) and (ii) on the last day of the Mining Term, an environmental audit and assessment of the Production Areas under such license plus all areas outside of the Production Areas in which the Company conducts Operations. The audit must be performed or supervised by an environmental consultant who is a registered engineer or scientist with at least ten years of experience in making environmental compliance assessments and audits in the mining industry, the identity of whom is agreed with the Minister. The audit and assessment are for the purpose of determining whether Operations since the beginning of the relevant period the subject of the audit are being conducted in conformity with applicable environmental Law and the other requirements of this Agreement and the Company's approved EMP. Such audit and assessment will also include an assessment of the status of the Company's provision for restoration or remediation of the Production Areas and such other areas in which the Company conducts or has conducted Operations and its conformity with the requirements of the approved EMP. The audit and assessment must also include a full accounting for all changes during such relevant period in the balance of any account established pursuant to the approved EMP to fund such restoration and remediation. If any such audit and assessment for any relevant period identifies any failure to comply with the requirements of Section 13.1 or the EMP, the Company must promptly remedy such situation at its own expense.

13.3 Government Environmental Inspections.

The Minister or the EPA may conduct, at its own expense, periodic inspections of Exploration Areas, Production Areas and other areas in which the Company conducts Operations following receipt by the Company of at least three Business Days' prior written notice of such inspection provided that no prior written notice is required where the inspection relates to a concern regarding employee health and safety or a negative environmental impact. As a condition to permitting such inspection, the Company may require (i) receipt of a copy of written instructions to conduct such inspection from an official senior to the official purporting to conduct the inspection, manually and legibly signed on the letterhead of the relevant ministry or Government

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agency, and (ii) viewing and copying the identification of the persons claiming the right to conduct such inspection.

13.4 Updating the EIA and the EMP.

- a. The Company shall periodically (not less frequently than every four years, or as may otherwise be required by applicable Law) update the EIA and the EMP to reflect the actual status of Operations at the time and updated risk assessments generally applicable with respect to Operations or Mine closure, and updated estimates of the cost of carrying out the closure management plan.
- b. The Company shall also update the EIA and the EMP as a condition to making any material changes in Operations, or any Mine, Mining Plant or Infrastructure. The updated EIA and EMP (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, such approval not to be unreasonably withheld or delayed. As a condition of approval, the Minister or the EPA may require additional funding to be provided or secured in accordance with the agreed funding scheme pursuant to Section 5.5(g) if such action is required to assure adequate and secure funding of estimated closure costs. The Company 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 Company to cease Operations during the restoration or remediation period (except to the extent necessary to carry out such restoration or remediation) so long as the Company 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 Company under Section 13.1. This Section does not limit the right of the Minister to suspend Operations under Section 24 when Operations are causing a material adverse impact on the environment.

13.6 No Liability for Previous Negative Environmental Impact.

- a. The Company shall assume no liability for and shall have no liability to any third party for any negative environmental impact within any part of the Exploration Area, Production Area or any other area in which the Company is conducting Operations in existence prior to commencement of any Exploration or other Operations or resulting from the acts or omissions by parties other than the Company or its Affiliates prior to commencement of any Exploration or other Operations ("Previous Negative Environmental Impact").

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- b. The Government shall indemnify and hold harmless the Company from any losses and liability incurred by it resulting from any claims made against the Company by third parties which have arisen in connection with Previous Negative Environmental Impact in respect of Land owned by the Government which it has made available to the Company for the purposes of Operations (excluding any Land that is made available to the Company pursuant to the exercise by the Government of its powers of eminent domain pursuant to Section 7), provided that:
- i) the Company shall notify the Minister of Justice promptly of any suit, action, proceedings, claims, investigations and negotiations made against the Company in respect of this Section 13.6 (a "Third Party Claim");
 - ii) the Company shall have the right to conduct all suits, actions, proceedings, claims, investigations and negotiations relating to any matter referred to in this Section 13.6; and
 - iii) in the conduct of any Third Party Claim, the Company shall:
 - (A) if so required by the Government, take all such steps or proceedings as the Government may reasonably require including steps to avoid, dispute, resist, mitigate, compromise, defend or appeal against any such Third Party Claim (provided that such steps or proceedings shall be taken at the Government's cost and expense);
 - (B) provide the Government with all such information and reports concerning any such Third Party Claim and any steps or proceedings taken by the Company as the Government may from time to time reasonably request; and
 - (C) not agree to settle and/or settle any such Third Party Claim without prior written consent of the Government (such consent not to be unreasonably withheld).

SECTION 14 – TAXATION

14.1 Law of General Applicability.

The Company shall pay all Taxes and Duties and conform to all procedures pursuant to applicable Law except as may otherwise be provided in this Agreement.

14.2 Fiscal Regime.

- a. Exhibit 5 to this Agreement sets forth certain modifications to the Revenue Code. The modifications set out in Exhibit 5 shall be read in conjunction with the Revenue Code as if such modifications were in force and constituted

applicable Law for the purpose of determining the liabilities of the Company under the Revenue Code. The Revenue Code as it would read were such modifications in force and constituted applicable Law is herein called the "Agreed Revenue Code". The Agreed Revenue Code shall be subject to the Special Provisions referred to in Section 14.3 and to Section 15.

14.3 Special Provisions.

The following special fiscal provisions shall be applicable to the Company:

- a. Subject to Section 14.3(g), the income tax rate applicable to the Company and the Operations shall in no case during the Term exceed 25% and taxable income, profits or losses shall be computed in accordance with the Agreed Revenue Code. For the avoidance of doubt, should the Government amend the Agreed Revenue Code so as to reduce the rate of income tax below 25%, the Company shall be entitled to the benefit of such a change.
- b. For the purposes of determining the taxable income, profits or losses of the Company, the period under Section 203(e) of the Agreed Revenue Code for carryforward of net operating loss shall be seven years beginning with the tax period in which the Start of Commercial Production occurs. For the avoidance of doubt, Mining Exploration Expenditures and Mining Development Expenditures (in each case within the meaning of Section 700 of the Agreed Revenue Code) are deductible in the tax period in which the Start of Commercial Production begins in accordance with Section 709 of the Agreed Revenue Code and losses incurred as a result of such deduction may be carried forward for seven years. Losses incurred after the Start of Commercial Production shall be deductible for seven years from the year in which such losses are incurred.
- c. In lieu of the withholding rates specified in Section 806 of the Agreed Revenue Code for non-residents, the maximum rate of withholding tax for payments by the Company for the Term to non-residents shall be:
 - i) Dividends - 5%;
 - ii) Interest - 5%; and
 - iii) Services - 6%,in each case, of the applicable payment.
- d. For the purposes of Section 1001 of the Agreed Revenue Code, all modules, plant, equipment, construction material, machinery, and light and heavy vehicles, spare parts as well as raw materials, intermediate inputs and consumables (other than gasoline and gas oil), including those items referred to in Exhibit 9 to this Agreement, are, for the avoidance of doubt, treated as exempt supplies.

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- e. From the Effective Date until the expiry of five years following Substantial Achievement of Nameplate Capacity the Company shall be exempt from all import duties, customs and excise charges, and related fees, subject to the payment of a customs user fee pursuant to Section 14.3(f), on all modules, plant, equipment, construction material, machinery, and light and heavy vehicles, spare parts as well as raw materials, intermediate inputs and consumables (other than gasoline and gas oil), including those items referred to in Exhibit 9 to this Agreement.
- f. The Company shall pay a customs user fee in respect of all items not subject to the import duty as provided for in Section 14.3(e) on the following basis:
 - i) US\$400,000 per annum from the Effective Date until the date a board resolution of the Company is passed approving the start of construction ("Start of Construction") following the issue of a Mining License or the date which is 12 months following date on which a Mining License is issued, whichever is the earlier;
 - ii) US\$600,000 per annum from the Start of Construction or the date which is 12 months following date on which a Mining License is issued, whichever is the earlier, until Substantial Achievement of Nameplate Capacity; and
 - iii) 1.5% of the CIF Liberian Port value (within the meaning of the Agreed Revenue Code) of the imported goods thereafter.

For the avoidance of doubt, the Company shall not pay any customs user fee in respect of any goods which are subject to import duty but will be subject to inspection fees in accordance with Section 16.3. The Company shall not be required to pay any customs user fee in respect of any goods on export of such goods but will be subject to inspection fees, where applicable, in accordance with Section 16.3.

- g. The Company, for the Term, shall be exempt from the surtax on income from high-yield projects imposed by Sections 730 - 732 of the Agreed Revenue Code provided that, notwithstanding Section 14.3(a), the income tax rate applicable to the Company and Operations shall be 30% for each year in which the net accumulated cash flow at the end of such year is positive, all as provided in Schedule 14.3(g).
- h. For the purposes of Section 2009 of the Agreed Revenue Code, real property used in the Company's Operations, including, but not limited to, real property acquired or built by the Company primarily for the purposes of housing its employees (and their families) or contractors, shall be exempt from real property taxes (including any real property taxes that would otherwise arise on the acquisition; leasing or sale by the Company of housing acquired or built primarily for housing its employees (and their families) or contractors).

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- i. Sections 14.3(c)(iii), 14.3(d) and (e) and Section 14.4 below shall apply to the Company's contractors and their subcontractors to the extent that the said contractors and subcontractors are rendering goods or services to the Company in relation to its Operations or importing goods in connection with the Operations provided that any such goods or services are identified as goods or services relating to the Operations.
- j. To the extent that the Company makes an advance payment of income tax liability pursuant to Section 904 of the Agreed Revenue Code which exceeds its actual liability for income tax for the relevant tax period, the Company shall be entitled to offset the amount of any overpayment of advance tax against the Royalty to be paid to the Government in accordance with Section 15.1.
- k. All operations and facilities covered by one or more Mining Licenses granted in respect of the Initial Exploration Area, together with all Contiguous Areas relating to the Initial Exploration Area shall be treated as a single mining project for the purposes of the Agreed Revenue Code.
- l. For the purposes of Section 709 of the Agreed Revenue Code and for the purposes of the calculating the accumulated net cash flow as set out in Schedule 14.3(g) (based on Section 731 of the Agreed Revenue Code), Exploration costs attributable to a Project under the rules of Section 700 of the Agreed Revenue Code shall include all costs incurred by the Company (and any Affiliate which held the Exploration rights prior to the Company) prior to the grant of the Mining License in relation to the Exploration Area in respect of which a Mining License is granted, including all general community development and infrastructure costs and all payments made to the Government pursuant to the Exploration Licenses, the Exploration Regulations and this Agreement, and shall also include contributions made by or on behalf of the Company to other community projects in Liberia prior to the grant of the Mining License (save that there shall be no double counting in any claim for deduction of the relevant amounts). The Company shall provide the Government with details of its Exploration costs at the time it submits the Feasibility Report pursuant to Section 5.1(d) and the amount of such Exploration costs shall agreed at the time the Feasibility Report is approved pursuant to Section 5.7.

14.4 Stabilization of Taxes.

- a. All matters governed by the Revenue Code (or any similar Law) but not specifically addressed in this Agreement shall be governed by the Revenue Code (or any similar Law). To the extent there is inconsistency between the Agreed Revenue Code, the Revenue Code (or any similar Law) and this Agreement, this Agreement shall prevail.

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- b. The Government hereby agrees that with respect to those items set out in Section 14.3, and subject in the case of those matters specified in Section 14.3(e) and Section 14.3(f) to the time periods specified in those Sections, the applicable Taxes and Duties shall be stabilized as of the Effective Date for the Term of this Agreement but not to exceed 25 years from the grant of the first Mining License (which shall extend to the end of the fiscal year applicable to the Company in which the 25th anniversary of the grant of the first Mining License occurs to the extent the anniversary does not fall on such date). For the avoidance of doubt, any future amendment, additions, revisions, modifications or other changes to any Taxes and Duties (or the provisions or practice relating to any Taxes and Duties) applicable to the Company or the Operations that would have the effect of imposing an additional or higher Tax or similar charge on the Company or the Operations shall not apply to the extent it would require the Company to pay such additional or higher Tax or similar charge, including any future amendment, additions, revisions, modifications or other changes in relation to any of the following:
- i) the rate of income tax provided for in Section 14.3(a) and the method of computing taxable income, profits or losses provided for in Section 705 of the Agreed Revenue Code;
 - ii) the rate of Royalty as set out in Section 15.1;
 - iii) the special provision for extended net operating loss carryforward as set out in Section 14.3(b);
 - iv) the special rule for depreciation and other cost recovery as set out in Section 706 of the Agreed Revenue Code;
 - v) the special rule for exploration costs as set out in Section 709 of the Agreed Revenue Code and the determination of exploration costs provided for in Section 14.3(l);
 - vi) the rate for withholding of tax on payments to non-residents pursuant to Section 14.3(c) and the rate for withholding of tax on payments to residents pursuant to Section 905 of the Agreed Revenue Code;
 - vii) the exemption for the supply of goods and services provided for in Section 1001(e)(6) and 1001(g)(5) of the Agreed Revenue Code and Section 14.3(d);
 - viii) the exemption for import duties provided for in Section 14.3(e);
 - ix) the special provision for the payment of customs user fees provided for in Section 14.3(f);
 - x) the exemption for surtax provided for in Section 14.3(g) (subject to the limitations therein);

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- xi) the exemption for real property tax provided for in Section 2009 of the Agreed Revenue Code and Section 14.3(h);
 - xii) the exemption for export duties provided for in Section 1701 of the Agreed Revenue Code;
 - xiii) the amounts payable as surface rents provided for in Section 15.4;
 - xiv) the treatment of the Company's contractors and subcontractors pursuant to Section 14.3(i);
 - xv) the ability to offset overpayments of advance tax against the Royalty provided for in Section 14.3(j); and
 - xvi) the treatment of all Mining Licenses granted in respect of the Initial Exploration Area as a single project for the purposes of the Agreed Revenue Code provided for in Section 14.3(k).
- c. Furthermore, should the Government reduce the applicable Taxes and Duties below what is provided in this Agreement and the Agreed Revenue Code, then the Company will become entitled to such reductions upon providing notice to the Minister of Finance.

14.5 Taxation of Permitted Liberian Operator.

If the Company engages a Permitted Liberian Operator in connection with Operations then Sections 14.3(c)(iii), (d) and (e) and Section 14.4 (as it relates to such sections) shall apply to such Permitted Liberian Operator provided that any such applicable goods or services are identified as goods or services in relation to Operations. In such event reimbursement of, or other payments to, the Permitted Liberian Operator by the Company shall not be subject to any resident withholding tax. For the avoidance of doubt, the Permitted Liberian Operator shall not be entitled to benefit from the income tax provisions set out in Section 14.3(a) and shall, except for the provisions of Sections 14.3 (c) (iii), (d) and (e) and the provision of this Section with respect to domestic withholding tax for the period that such Sections are stabilized pursuant to Section 14.4 (b), be subject to generally applicable law.

SECTION 15 – ROYALTIES, SURFACE RENTS AND OTHER PAYMENTS; DETERMINATION OF FAIR MARKET VALUE EXPORT SALES PRICE

15.1 Royalties.

- a. The Company shall pay the Government a royalty at the relevant rate established in accordance with Schedule 15.1 (a "Royalty Rate") multiplied by the Fair Market Value in accordance with Section 703 of the Agreed Revenue Code, as calculated in accordance with the Pricing Agreement entered into under Section 15.3 (such payment collectively, the "Royalty").

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- b. The Royalty shall be paid to the general revenue account of the Government in Dollars no later than 45 days after the date of shipment in respect of which payment of a Royalty is to be made. At the time of making such payment, the Company shall provide the Ministry of Finance with a statement showing in such reasonable detail as the Ministry of Finance may require the manner of computation of the Royalties due.

15.2 Fair Market Value, the Sales Price; Computation of Gross Income.

In computing the Fair Market Value and gross income of the Company for purposes of Section 201 of the Agreed Revenue Code, the sales price (the "Sales Price") of any Product f.o.b. Liberia shall be:

- a. the actual sales price for such product f.o.b. Liberia in the case of a sale by the Company to a non-Affiliate of the Company f.o.b. Liberia; or
- b. in the case of a sale to an Affiliate f.o.b. Liberia in connection to a back-to-back sale by the Affiliate to a non-Affiliate f.o.b. Liberia, the actual sales price paid f.o.b. Liberia to the Affiliate by the non-Affiliate; or
- c. in all other cases a price determined in accordance with Section 10(bb), Section 208, Section 703 and Section 713 of the Agreed Revenue Code.

15.3 The Pricing Agreement.

- a. Prior to the approval of the Feasibility Report, the Government and the Company shall enter into an agreement (the "Pricing Agreement") which shall set out the method for determining the Fair Market Value and the Sales Price for each Product using the principles set out in Section 15.2.
- b. Upon request from the Government, the Company shall deliver to the Government:
 - i) such documentation and information as may be required, pursuant to the Agreed Revenue Code, of a taxpayer in connection with the calculation of any Royalties payable; and
 - ii) such other information requested by the Government that is reasonably relevant to the determination of the Sales Price or the Fair Market Value.
- c. If either party in good faith believes that the values for the Fair Market Value or the Sales Price of any Product determined pursuant to the Pricing Agreement are no longer consistent with the requirements of Section 15.1(a) or Section 15.2 as applicable, the parties will seek to agree upon a revised Pricing Agreement.

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- d. Failing agreement between the parties on a Pricing Agreement for determining the Sales Price or the Fair Market Value or any revisions thereto, such matters shall be determined by a single arbitrator as provided by Section 27.4, such arbitrator to be a recognized expert in the pricing of Iron Ore. The Pricing Agreement and Schedule 15.1, any revisions thereof, and any decision by an arbitrator if such is required shall be public and shall be posted by the Government electronically or through such other means as may be provided by regulation.

15.4 Surface Rents.

The Company shall pay:

- a. US\$25,000 per Exploration License or Mining License per annum in respect of all surface rents for the period from the Effective Date until the earlier of (i) Substantial Construction Completion, (ii) the termination or cessation of the last Exploration License and Mining License and (iii) the termination of this Agreement; and
- b. US\$62,500 per Mining License per annum in respect of all surface rents from Substantial Construction Completion until the earlier of the termination of (i) the last Mining License in respect of which surface rents are payable and (ii) this Agreement.

No other amounts shall be payable by the Company in respect of surface rents (including, for the avoidance of doubt, any Surface Rights Payment within the meaning of Section 12 of the Exploration Regulations).

15.5 Periodic Adjustment of Surface Rents.

The surface rent amounts stated in Section 15.4 shall be subject to inflationary adjustment in accordance with the GDP Implicit Price Deflator. The inflation-adjusted rent shall be effective January 1 of each calendar year based on the ratio of the value of the revised GDP Implicit Price Deflator for the second quarter of the immediately preceding calendar year to the value of the revised GDP Implicit Price Deflator for the second quarter of 2010. If such index is no longer published, the parties shall agree on adjustments that will substantially preserve the economic impact and timing of this periodic adjustment. The Government's determination of such change in value shall be final, absent manifest error.

15.6 Due Date of Surface Rents.

- a. Surface rents are due and payable in advance on the Effective Date and thereafter on each anniversary of the Effective Date. To the extent that Substantial Construction Completion does not occur on an anniversary of the Effective Date, the amount of surface rents payable from Substantial Construction Completion shall be pro rated for the year in which Substantial Construction Completion occurs by dividing the annual amount payable by

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365 days and multiplying it by the number of days from Substantial Construction Completion until the next anniversary of the Effective Date.

- b. Any amounts paid by the Company in advance under any Exploration License in effect on the Effective Date with respect to periods after the Effective Date shall be credited against payments of surface rent due under this Agreement. The Company is not entitled to a refund of any amounts paid under Section 15.4 if its rights in the Exploration Area or any Production Area terminate other than on an anniversary of the Effective Date, or if the Company withdraws its application for a Mining License with respect to all Proposed Production Area or withdraws any Proposed Production Area from its application or is finally denied a Mining License for such areas.

15.7 Water Use Levy.

During the Term, the Company shall not be liable to the payment of a water use levy but shall pay any charges required by applicable Law for the use of water.

SECTION 16 – OTHER PAYMENTS TO THE GOVERNMENT

16.1 Processing and Delay Fees.

All fees in connection with Exploration shall be in the amount and paid as provided in the Exploration Regulations, save where modified by this Agreement. The following additional processing fees apply under this Agreement. No action will be taken with respect to any filing or application referred to in a Section requiring the payment of a processing fee with the application until the Minister receives confirmation that the relevant fee has been paid. No approval or consent requiring the payment of a fee upon the granting of such approval or consent will be effective until the Minister receives confirmation that the relevant fee has been paid.

- a. The processing fee for the filing of a notice designating one or more Proposed Production Areas and the accompanying Mining License application is US\$10,000 per Proposed Production Area, payable on filing.
- b. The processing fee for the filing of a Feasibility Report is US\$5,000 plus 1/200 of 1% of the estimated capital cost of the project as set forth in the Feasibility Report, such fee (including the initial US\$5,000) not to exceed a total of \$100,000, payable on filing.
- c. The fee for a six months extension of the time to designate Proposed Production Areas under Section 5.1(h) is an amount equal to US\$5,000 plus US\$1.00 per acre of Land remaining subject to the Exploration License payable on filing of the notice of extension.
- d. The fee for a six months extension of the time to file a Feasibility Report under Section 5.1(h) is US\$500,000 payable on filing of the notice of extension.

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- e. The fee for an application to postpone development under Section 5.2 is US\$500,000 per year, payable in advance within 15 days after the commencement of each year of the approved postponement period.
- f. The processing fee for an application to modify or amend a Feasibility Report is US\$5,000 payable when the application is made plus 1/200 of 1% of the estimated capital cost of any additions to or deletions from the project sought in such application as set forth in the amended or modified Feasibility Report, not to exceed \$50,000, payable when the application is granted.
- g. The processing fee in connection with an application for a consent required under Section 23 is US\$5,000, payable when the application is made.

16.2 ECOWAS Trade Levy.

Notwithstanding any general exemption from import duties applicable to the Company under the Agreed Revenue Code and this Agreement, the Company 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.

16.3 Inspection Fees.

The Company shall be subject to inspection on all imports and exports. If at any time the Government does not itself provide inspection services, the Company shall utilize the services of the inspection entities approved by the Minister of Finance at rates to be negotiated between the Company and the designated inspection agency. Failing agreement on rates between the Company and any inspection entity, the Company may select another inspection company approved by the Minister of Finance. In any case where the Government itself does not provide inspection services the Company shall not be charged any fees by the Government in respect of such services except for the customs user fee specified in Section 14.3(f). Such inspection company shall maintain all pre-shipment information and the reporting mechanism shall be subject to the prior written approval of the Minister of Finance. Where the Government does provide such inspection services, the Company shall pay such inspection fees to the Government as are in effect from time to time under applicable Law.

16.4 Regulatory Fees.

The Company shall pay such Taxes and Duties as are generally applicable under Law in Liberia with respect to driver's licenses, vehicle registrations, corporate registration, residency and work permits and other license, registrations and permits incidental to doing business or conducting activities in Liberia.

16.5 Mineral Development and Research Fund.

Within five Business Days of the Effective Date and pursuant to Section 18.4 of the Mining Law, the Company shall make a one-time payment of US\$50,000 into the general account earmarked for the Mineral Development Fund. The Company shall

~~have the right to independently audit (at its own expense) the use of the payment made pursuant to this Sections 16.5 and for this purpose shall be provided with and have access to all relevant documentation and information.~~

16.6 Up-front Payments.

In consideration of the rights granted to it under this Agreement, the Company shall make the following payments to the Government:

- a. US\$7,500,000 on the fifth Business Day following the Effective Date; and
- b. US\$7,500,000 on the fifth Business Day following the acceptance by the Company of an agreement with the Government and Mittal Steel (Liberia) Holdings Limited (being the entity which has a right to the Railroad and Buchanan Port pursuant to a mineral development agreement entered into with the Government dated 17 August 2005, as amended) for access to the Railroad and Buchanan Port on commercially reasonable terms as set out in Section 19.
- c. [Deleted]

SECTION 17 – FINANCIAL REPORTING AND CURRENCY

17.1 Accounting and Tax Matters.

All of the 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 generally accepted accounting principles 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 Company shall at all times have the right, without restriction or penalty, directly or indirectly, to obtain, hold, deal with, remit, receive and disburse funds in such manner, currencies and places as it chooses. Without prejudice to the generality of the foregoing, the Company shall have the unrestricted and unencumbered right to sell and receive payment for Product(s) in any currency 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 Company shall maintain at least one account with a bank or financial institution in Liberia. The Company shall also have the right to acquire from, and sell to, any

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Person currency that is legal tender in Liberia at the Prevailing Market Rate of Exchange in connection with Operations.

17.3 Currency of Payments to the Government.

Except as otherwise expressly provided in this Agreement, payment of the Company's obligations to the Government under this Agreement, including obligations for Taxes and Duties payable as a consequence of 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 Company shall make payments of sums it 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 (as modified by this Agreement) to be withheld or retained by it on behalf of the Government, in the currency in which such salaries or wages or such other sums are paid. For the purposes of determining compliance by the Company 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 Company made in Dollars shall be converted to Liberian Currency at the Prevailing Market Rate of Exchange as of the date of payment.

17.4 Financial Statements and Audit.

a. The Company shall deliver to the Government within 90 days after the end of each Financial Year of the Company:

- i) a balance sheet of the Company as at the end of such year, and
- ii) statements of income, changes in shareholders' equity and cash flows of the Company 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 Company as having been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") or generally accepted accounting principles as reflected in International Financial Reporting Standards as in effect from time to time in the European Union ("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

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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 Company to the effect that during the Financial Year then ended the Company was in compliance with (i) Section 20.3, (ii) if applicable, Section 20.4 (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 (iii) Section 20.7 (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 Company's approved EMP.
- d. Each year's financial statements shall be accompanied by a listing of all transactions with Affiliates of the Company reflected in such financial statements, identifying the amount of the transaction, the Affiliate involved, and the nature of the transaction, certified by the chief financial officer of the Company 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. The Company shall maintain contemporaneous documentation of each such transaction with any such Affiliate evidencing the pricing of the transaction, including all documentation required by the Revenue Code or any regulations issued thereunder.
- e. Each year's financial statements shall be accompanied by certificate of the chief financial officer of the Company to the effect that (i) with respect to goods or services covered by any Pricing Agreement in effect during the relevant period, the Company's transfer prices during such year were computed in accordance with the requirements of such Pricing Agreement and (ii) with respect to goods or services sold or provided in a transaction between the Company and an Affiliate of the Company which are not covered by such Pricing Agreement, the prices thereof imposed during the relevant period were computed in accordance with Section 20.7.
- f. If the Minister of Finance determines that it is necessary for it to cause an independent review or audit the Company's and/or Permitted Liberian Operator's records or books, the Company will cooperate to provide the Government, or in the case of the Permitted Liberian Operator procure there is provided to 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 Company is unable to provide or procure the provisions of the information, books or records needed to complete the audit in Liberia, in which case the Company shall bear both the reasonable travel cost of a reasonable number of auditors selected by the Minister of Finance 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.

- g. Sections 6.1(i) and 11.1(c) of the Exploration Regulations or any equivalent provision under applicable Law shall not apply to the Company which shall be entitled to keep consolidated books and records in respect of its Operations regardless of the number of Exploration Licenses or Mining Licenses it has in effect.

17.5 Compliance with LEITL

The Company shall comply with requirements of the Liberian Extractive Industries Transparency Initiative with respect to all payments to be made by it to the Government.

SECTION 18 – INCIDENTAL RIGHTS AND OTHER MATTERS

18.1 Imports.

The Company may 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 Company 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 Company may sell, in Liberia, all imported items that are no longer needed for Operations, except that the Company may not sell explosives, gasoline or diesel within Liberia to third parties without the consent of the Government. If such imported items were exempted in all or part from Taxes and Duties on import into Liberia, then the Company must upon their sale pay to the general revenue account of the Government those Taxes and Duties payable on such items under applicable Law in effect on the date of sale calculated on the basis of the fair market value of such items on the date of sale as determined in accordance with the Agreed Revenue Code and fulfill all formalities required by Law in connection with such sales provided that the Company shall be entitled to export from Liberia, exempt from all Taxes and Duties, any modules, plant, equipment, construction material, machinery, and light and heavy vehicles, spare parts as well as raw materials, intermediate inputs and consumables, including those items referred to in Exhibit 9 to this Agreement, that were previously imported in connection with the Operations which were exempt from any import tax.

18.3 Right to Export Minerals and Other Rights.

The Company (i) may, directly or through appropriate contractual arrangements, market and sell (at arm's length international market and competitive prices) 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 the provisions of this Agreement, and (ii) subject to its obligations to pay Royalty, Taxes and Duties and other amounts due 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 notice has been given by the Company to the Central Bank of Liberia of its choice of external bank.

SECTION 19 – ADDITIONAL UNDERTAKINGS OF THE GOVERNMENT

19.1 Access to Information.

The Company is entitled to obtain access to geological or other information relating to the Exploration Area that is owned by or subject to the control of the Government in the manner and to the extent provided in the Exploration Regulations.

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, employee and consultant of the Company, or of its Affiliates, contractors and subcontractors, 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 Access to Infrastructure.

- a. Upon notice by the Company of the designation of a Proposed Production Area pursuant to Section 5.1, the Government shall grant the Company or one or more Affiliates designated by the Company for the Term such rights to Land and to sea areas, and the Government shall assist the Company in acquiring such rights for the Company and such Affiliates in respect of private Land in accordance with Section 7, as are reasonably required by the Company or such Affiliates in order to construct (i) Land and sea-based operational and Infrastructure facilities (including a cape size port, and stockpiling and material handling facilities) adjacent or in close proximity to the Railroad and Buchanan Port as may be reasonably required to ship and export its expected volumes of Iron Ore and other Minerals from Mines located in the Production Areas and (ii) facilities at or near the such site for use as the Company's or its relevant Affiliates' operational headquarters. The specific location size of such Land and sea areas, and other specifications relating to such rights, shall be determined at the time of such grant.
- b. Upon notice by the Company of the designation of a Proposed Production Area pursuant to Section 5.1, the Government shall use its best endeavors, including exercising its powers over Land and under any mineral development or infrastructure agreements with third parties, to provide the Company rail capacity for the Term for the purpose of safely and efficiently carrying Iron Ore or other Minerals extracted from Mines located in the Production Area to

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the point of export of such Iron Ore or other Minerals. Such efforts shall include the exercise of such rights as the Government may have to require access to existing or prospective excess capacity or to have existing or proposed railroads or ports expanded, it being understood that the Government shall not be obligated to undertake any financial obligations in connection therewith.

- c. If the Company (or one or more Affiliates designated by the Company) is not otherwise able to secure sufficient capacity on any existing or planned railroad to allow for the Company or its Affiliates to safely and efficiently carry and export the Company's expected volumes of Iron Ore or other Minerals extracted from Mines located in the Production Areas or if the Company determines at its sole discretion that it is more appropriate to construct a new railroad, the Government shall grant the Company or such Affiliates the right to develop, construct, use, operate and maintain such Infrastructure as may be required by the Company or such Affiliates for such purposes. The Government shall assist in procuring such rights for the Company or such Affiliates in respect of private Land in accordance with Section 7, as are reasonably required by the Company or such Affiliates in order to develop, construct, use, operate and maintain such Infrastructure during the Term.
- d. During the Term, the Government shall grant the Company (or one or more Affiliates designated by the Company) the right to develop, construct, use, operate and maintain any new rail spurs that the Company may require to ensure that the Company can safely and efficiently carry the Iron Ore or other Minerals extracted from Mines located in the Production Areas to the Railroad or to any new or expanded railroad constructed by the Company, any of its Affiliates or any third party (as the case may be). Such grant shall be made with respect to any Production Area commencing upon designation thereof by the Company as a Proposed Production Area.
- e. Upon designation of a Proposed Production Area with respect to any Land subject to the Goe Fantro Exploration License, the Government shall grant the Company or one or more Affiliates designated by the Company rights, and the Government shall assist in procuring such rights for the Company or its Affiliates in respect of private Land in accordance with Section 7, to either upgrade the existing highway, or to construct a new haul road, from Goe Fantro to the Buchanan Port, at the Company's election. To the extent that compensation shall be payable to third parties in accordance with Section 7, where the Company or its Affiliates acquire rights to Land for the purposes of constructing a new haul road and/or upgrading an existing highway which shall be used solely by the Company or its Affiliates, the payment of any such compensation shall be at the Company's or its relevant Affiliate's sole expense.
- f. The Government shall, in consultation with the Company, and on reasonable notice to the Company, authorize third parties' use of excess capacity of the

Infrastructure described in Sections 19.3(a) and (c) (to the extent such Infrastructure is constructed by the Company or its Affiliates) (the "Company Constructed Infrastructure"), provided that the Company 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 which confirmation shall not be unreasonably delayed. The technical and commercial terms for such third party use of the excess capacity of the Company Constructed Infrastructure shall be mutually agreed to, in good faith, among the Government, the Company and such third parties in accordance with International Standards, it being understood that such third party use shall be at no cost to the Company and all related costs shall be borne by the third parties and recognizing that (i) the Company shall, at its sole discretion continue to operate and manage the Infrastructure, (ii) the Company shall be entitled to a commercially reasonable rate of return in respect of its capital invested in the construction and operation of the Company Constructed Infrastructure and (iii) for the avoidance of doubt the Government shall separately and in addition to the fee charged by the Company be entitled at its election to charge the third party a fee in relation to the transit of Iron Ore or other Minerals and goods over Company Constructed Infrastructure other than Iron Ore or other Minerals extracted from Mines within the Production Areas.

- g. Any and all Immovable Infrastructure shall revert to the Government, and all rights to rail transport and port use held by the Company or its Affiliates shall terminate, upon the termination of this Agreement, unless otherwise agreed by the Government.
- h. Prior to the designation of a Proposed Production Area pursuant to Section 5.1, if the Government enters into or otherwise carries on discussions with any third party in relation to granting such third party access to, or rights with respect to, the excess capacity or expansion of the Railroad and Buchanan Port or granting such third party rights for the purpose of constructing a new port (the "New Port") proximate to the Buchanan Port, the Government shall use its best endeavors to ensure that the Company is able to participate in such discussions and negotiations with the third party (and any other relevant party) and the Government, so as to enable the Company to obtain the required access to the Railroad and Buchanan Port and the New Port for the purposes, and to the extent, described in Sections 19.3(a) through (c), save as to timing; it being recognized that if the Company wishes to participate at this earlier stage that it may be required to make an investment. In the event that any discussions with a third party result in new Infrastructure being constructed or an expansion of existing Infrastructure then the Government shall use its reasonable endeavors as part of the arrangements to permit access to the Company as a third party to excess capacity and expansion rights on an equivalent basis to Section 19.3 (f) and if such provisions are included the Government shall use its best endeavors to assist the Company in securing

such rights, for the purposes, and to the extent, described in Sections 19.3(a) through (c), on a commercially reasonable basis.

- i. For the avoidance of doubt, nothing in this Section 19.3 shall be construed to require the abrogation or modification of any contractual obligations of the Government to any persons holding rail or port rights.

19.4 Electricity Generation and Transmission.

- a. The Company is entitled to provide in its Feasibility Report 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 connection with all the foregoing, provided that any proposed installation of hydropower capacity must have the prior approval of the Minister and may not be approved unless sized to utilize the optimal energy potential of the hydropower resources involved, as reasonably determined by the Minister after consultation with internationally recognized hydropower consultants. In all cases, the Company will be subject to, and agrees to comply with, the requirements of any applicable Law regulating the manner in which any such facilities shall be constructed, operated, maintained, repaired or expanded for the safety of the public or protection of the environment.
- b. The parties acknowledge that the electric generating facility constructed and operated by the Company in connection with Operations may be designed to generate a quantity of electric energy in excess of the electric energy required by the Company for Operations (which requirements shall include, for the purposes of this Section 19.4, electric energy distributed to communities and housing constructed by the Company for its employees and in community facilities constructed or funded by the Company pursuant to this Agreement) (such excess, "Excess Energy"). The Government shall be exclusively entitled to purchase all of the Excess Energy so long as it enters into a written commitment with the Company to purchase the Excess Energy for a period of at least four years. The price applicable to the sale of Excess Energy to the Government shall be expressed on a US\$/kWh basis and calculated based on a formula to be mutually agreed between the Company and the Government that permits the Company to recover its net generating expenses (assuming base load generation averaged over the entire generating facility) plus a return on equity of 12% per annum on the marginal cost of the installed capacity necessary to generate the Excess Energy, for each kWh of Excess Energy dispatched and delivered to the Government, or on such other lower price terms as may otherwise be agreed by the parties. The calculation of the energy price shall be subject to periodic review and reporting, and 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 immediately preceding sentence. In the event that the Government does not elect to purchase all of the Excess Energy for a period of at least four years, or from time to time to renew such purchase right for periods of at least

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four years, the Company shall be permitted to sell Excess Energy to any third party (including the Government) at a price to be negotiated between the parties to the transaction. For the avoidance of doubt, the Company is under no obligation to construct a facility which can generate a quantity of electric energy in excess of the electric energy required by the Company for Operations.

- c. To the extent that the electrical energy generated by the Company's generating facility is used by the Company in connection with Operations or is (with respect to Excess Energy only) sold to third parties in the manner provided in Section 19.4(b), the Company 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. All sales to third parties will be subject to any applicable taxes or fees imposed by applicable Law relating to the sale of electricity, including any service Tax, and the Company shall be entitled to recover from such third parties an amount equal to the amount any such Taxes or fees to the extent assessed against the Company.

19.5 Communications Facilities, Systems and Frequencies.

The Government will use its reasonable efforts to facilitate:

- a. the receipt by the Company from the Government of such rights, licenses, registrations, permits and other authorizations 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 subject to the compliance by the Company with the requirements of applicable Law in connection with the receipt of such rights, licenses, registrations, permits and other authorizations; and
- b. to the extent available from the Government, the obtaining by the Company of the right to utilize, at generally available rates, of such number of broadcast and communications frequencies for domestic and international use as may reasonably be required for Operations.

19.6 Right to Water.

The Company shall have the right to access (including by means of extraction) such water supplies as are reasonably required by it for the purposes of carrying out its Operations subject to the payment by the Company of any charges required by applicable Law for the use of water and provided that such access by the Company does not affect the water supplies used by the surrounding population or, to the extent

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it does so affect water supplies, the Company provides an alternative source of water supply to the affected population.

19.7 Peaceful Enjoyment.

The Government hereby warrants and defends the Company's title to, possession and peaceful enjoyment of, all rights granted to it by the Government under this Agreement, including its right to all Land and property in Liberia in accordance with applicable Law, provided, that the Government shall have no obligations with respect to any claims that may arise out of rights of third parties with respect to Land as to which the Company has acquired rights pursuant to Section 7.1(b).

19.8 Expropriation and Non-Discrimination.

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

- a. any Mining Plant, Infrastructure or other property of the Company to the extent used in, connected with or affecting Operations; or
- b. Minerals resulting from Operations, the Mining of which is authorized under the Company's Mining License(s), or the Product(s) derived therefrom; or
- c. any equity, shares or ownership interests of whatever nature held in or issued by the Company.

The Government further undertakes not to adopt any provision of Law that imposes a material financial or other burden solely on the Company or any of its Affiliates, whether or not such provision specifically identifies the Company or any of its Affiliates as the target thereof, provided that this provision shall not apply to any Law reasonably intended to protect the safety, health, welfare or security of the Government or citizens of Liberia or to fulfill the Government's international obligations.

19.9 Use of Existing Public Utilities and Facilities; Integration with Company Infrastructure.

- a. The Company may purchase services from public utilities and other facilities (such as toll bridges, airports and port 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 as determined in the reasonable judgment of the Government) to meet the Company's needs with respect to Operations. The Government shall ensure that all charges for, and other terms and conditions of, the use by the Company of public utilities and facilities are fair and reasonable, taking into account the cost of providing such infrastructure and the relative availability of alternatives to the Company and to other users of such public utilities and facilities. The Government may limit the access of the Company to any such

public utilities and facilities 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 Company (and users similarly situated with the Company), the Minister and the Company (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 Company (and others similarly situated).

- b. The Government shall use its reasonable efforts to assist the Company to integrate any item of Infrastructure acquired or constructed by the Company under an approved Feasibility Report 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 required by the Company and 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 the Company, after consultation with the Company and subject to the Company's prior written consent if, in the reasonable opinion of the Company, any of the following actions are likely to substantially interfere with the efficient and economic conduct of Operations, to construct roads, highways, railroads, power, telegraph and telephone lines and other lines of communication within the Exploration Area or the Production Areas if such action is in the public interest. The Government will take account of the reasonable concerns of the Company, 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 Company is entitled only to compensation for any verifiable direct, out of pocket additional costs incurred by the Company and attributable to such disruption or interruption. The Government shall indemnify and hold harmless the Company 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.

19.10 Right to Approvals.

The Company shall have the right to receive all approvals and consents that may be required from the Government (including any local municipalities and state owned or controlled corporations or entities) pursuant to this Agreement or its Operations without delay, and such approvals and consents shall not be unreasonably withheld.

19.11 Further Undertakings.

- a. The Government undertakes that the contributions and payments set out in Section 8, Section 9, Section 10, Section 11 and Section 16 are the exclusive and only payments to be made during the Term with respect to the matters addressed in those Sections. To the extent that there is inconsistency between any Law relating to such matters (whether in effect at the Effective Date or enacted subsequent to that date) and this Agreement, this Agreement shall prevail. For the avoidance of doubt, any future amendments, additions, revisions, modifications or other changes to any Law applicable to the Company or its Affiliates in relation to the Operations that would have the effect of requiring the Company to pay additional monies or imposing an additional obligation on the Company with respect to the matters addressed in those Sections shall not apply to the Company or its Affiliates.
- b. The Government undertakes that to the extent that there are any future amendments, additions, revisions, modifications or other changes to any Law applicable to the Company or its Affiliates in relation to Operations that would have the effect of imposing an additional material obligation on the Company or its Affiliates with respect to the matters addressed in this Agreement (which are not otherwise subject to Section 19.11(a)):
 - i) the parties shall agree appropriate transitional arrangements that will apply to the Company and/or its Affiliates in relation to the introduction of the relevant Law or changes to Law to provide the Company and/or its Affiliates with a reasonable period of time for the purposes of ensuring compliance with such Law or changes to Law; and
 - ii) if the relevant new Law or change in Law results in a delay of more than 30 days in Operations as a consequence of the Company ensuring compliance with such new Law or change in Law, the Company shall notify the Government of such delay (giving reasons for the delay and details of the work required to be undertaken by the Company to ensure compliance with the new Law or change in Law) and the period of time reasonably required by the Company to ensure compliance. To the extent the Company requires an extension to the period of time for Exploration, the time for the designation of a Proposed Production Area, the time for filing a Feasibility Report or the time to achieve Substantial Construction Completion (as the case may be) it may request an extension of time from the Government equivalent to the period of delay resulting from the work to be undertaken by the Company to ensure compliance with the new Law or change in Law, and the Government shall not unreasonably withhold its consent to such extension. If Company believes that the Government has unreasonably withheld its consent to an extension of time or the parties

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cannot agree the period of a required extension, the matter shall be referred to a single arbitrator as provided by Section 27.4.

- c. To the extent that there are any delays of more than 30 days in the Company or its Affiliates:

- i) acquiring rights to Land under Section 7; or
- ii) obtaining access to Infrastructure under 19.4,

beyond the periods contemplated for the acquisition of such rights or obtention of such access in the Feasibility Report and provided that the Company has used commercially reasonable efforts to acquire such rights or obtain such access, the Company shall notify the Government of such delay (giving reasons for the delay). To the extent the Company requires an extension to the period of time to achieve Substantial Construction Completion it may request an extension of time from the Government equivalent to the period of delay relating to the acquisition of rights to Land or the obtention of access to Infrastructure, and the Government shall not unreasonably withhold its consent to such extension. If Company believes that the Government has unreasonably withheld its consent to an extension of time or the parties cannot agree the period of a required extension, the matter shall be referred to a single arbitrator as provided by Section 27.4.

- d. The Government undertakes that all of the funds that will be provided by the Company under any provision of this Agreement will be used in accordance with applicable anti-corruption laws.

19.12 Status of this Agreement.

- a. Notwithstanding that this Agreement becomes Law following ratification by the Legislature in accordance with Section 2, this Agreement is a contract between the parties which may only be varied in accordance with Section 33.3.
- b. If there are any amendments to Law which are stated not to apply to mine developments agreements issued under the Mining Law then unless it is specified to the contrary this Agreement shall be deemed for those purposes to be a mine development agreement under the Mining Law.

SECTION 20 – OTHER UNDERTAKINGS OF THE COMPANY

20.1 Indemnification of the Government by the Company.

- a. The Company shall indemnify and hold harmless the Government and its officers and agents from all losses and liabilities incurred as a direct consequence of death or injury to Persons or damage to property directly resulting from the conduct by the Company, including for this purpose the

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conduct of any contractor described in Section 6.3(f), of its Operations provided that:

- i) the Government shall notify the Company promptly of any suit, action, proceedings, claims, investigations and negotiations made against the Government or its officers or agents in respect of this Section 20.1 (a "Third Party Claim");
 - ii) the Government shall have the right and, in respect of any claims relating to its officers or agents in respect of which an indemnity under this Section 20.1 is sought, shall be required, to conduct all suits, actions, proceedings, claims, investigations and negotiations relating to any matter referred to in this Section 20.1; and
 - iii) in the conduct of any Third Party Claim, the Government shall:
 - (A) if so required by the Company, take all such steps or proceedings as the Company may reasonably require including steps to avoid, dispute, resist, mitigate, compromise, defend or appeal against any such Third Party Claim (provided that such steps or proceedings shall be taken at the Company's cost and expense);
 - (B) provide the Company with all such information and reports concerning any such Third Party Claim and any steps or proceedings taken by the Government as the Company may from time to time reasonably request; and
 - (C) not agree to settle and/or settle any such Third Party Claim without prior written consent of the Company (such consent not to be unreasonably withheld).
- b. For the avoidance of doubt, this Section 20.1 shall apply in substitution of Section 8.9 of the Exploration Regulations or any equivalent provision under applicable Law, which shall not apply to the Company.

20.2 Books and Records.

The Company will maintain proper books of record and account in conformity with GAAP or IFRS, as applicable under Section 17.4(a), and with all applicable requirements of Law.

20.3 Subsidiaries; Investments.

- a. The Company may not have Subsidiaries other than Subsidiaries that are organized in Liberia and that only engage in activities in support of the Operations of the Company under this Agreement provided that the

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Government, for Taxation purposes, may consolidate such Subsidiaries and the Company.

- b. The Company may not make or hold any investment in any other Person unless such Person carries on activities in support of the Operations of the Company under this Agreement. For the purposes of this Section 20.3, an "investment" includes any investment, made in cash or by delivery of property, by the Company 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 favor of any Person, or in any property other than property acquired in carrying out a Development Plan embedded in an approved Feasibility Report. This Section does not limit the ability of the 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 Company, or to make reasonable prepayments and progress payments in connection with the construction of any Mine, Mining Plant and Infrastructure, nor does it prevent the sale by the Company of any Products or property used in connection with its Operations to which a Lien may attach.

20.4 Adequate Capital.

- a. After the issuance of a Mining License to the Company under this Agreement and prior to the satisfaction of the capacity demonstration test required by Section 6.2, unless the Company or any of its Affiliates has an investment grade credit rating with an internationally recognized credit rating agency, the Company must maintain a ratio of Indebtedness to Net Worth that is equal to or lower than 3:1 provided however that where the Company is not required to maintain a ratio of Indebtedness to Net Worth that is equal to or lower than 3:1 under this Section 20.4, to the extent that the ratio of Indebtedness to Net Worth exceeds 3:1, any interest payments due and payable on such excess Indebtedness shall not be capable of deduction from gross income for the purposes of the computation of the Company's liability for income Tax.
- b. After satisfaction of the capacity demonstration test required by Section 6.2, the Company may make no Restricted Payment unless after giving effect thereto, the ratio of Indebtedness to Net Worth of the Company does not exceed 3:1 (unless the Company is not subject to this restriction in accordance with Section 20.4(a)). For purposes of this Section 20.4, the amount of any Restricted Payment made in property is be the greater of (i) the fair market value of such property (as determined in good faith by the board of directors of the Company) and (ii) the net book value of such property on the books of the Company, in each case determined as of the date on which such payment is made.
- c. "Indebtedness" means, at any time, without duplication:

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- i) the liabilities of the Company for borrowed money and the redemption obligations of the Company in respect of mandatorily redeemable shares or other securities of the Company that are entitled to preference or priority over any other shares of the capital stock of such corporation in respect of payment of dividends or distribution of assets upon liquidation;
- ii) the liabilities of the Company for the deferred purchase price of property acquired by the Company (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);
- iii) all liabilities appearing on the Company's balance sheet in accordance with GAAP or IFRS, as applicable under Section 17.4(a) in respect of leases with respect to which the Company is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP or IFRS, as applicable under Section 17.4(a);
- iv) all liabilities for borrowed money secured by any Lien (whether or not the Company has assumed or otherwise become liable for such liabilities), excluding any Lien arising in the ordinary course of business or by operation of law;
- v) all its liabilities 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) above; and
- vi) any guarantee or similar undertaking of the Company appearing on the Company's balance sheet or noted in its accounts in accordance with GAAP or IFRS, as applicable under Section 17.4(a), with respect to liabilities of a type described in any of clauses (i) through (v) hereof.

Indebtedness of the Company shall also include all obligations of the Company of the character described in clauses (i) through (vi) to the extent the Company remains legally liable in respect of such obligations notwithstanding that any such obligation is deemed to be extinguished under GAAP or IFRS, as applicable under Section 17.4(a).

- d. "Restricted Payment" means (i) any dividends or other distributions or payments on capital stock or other equity interest of the Company (except distributions in such stock or other equity interest) and the redemption or acquisition of any stock or other equity interests in the Company or of warrants, rights or other options to purchase such stock or other equity interests (except when solely in exchange for such stock or other equity interests) unless made, contemporaneously, from the net proceeds of a sale of

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such stock or other equity interests, including, without limitation, any such action resulting in the acquisition by the Company of securities that would constitute treasury stock, and (ii) any payment, repayment, redemption, retirement, repurchase or other acquisition, direct or indirect, by the Company of, on account of, or in respect of, the principal of any subordinated debt (or any installment thereof) held by the Company, any shareholder of the Company, or any Affiliate of the Company.

- e. Subject to Section 20.4(a), the deductibility or other treatment of any interest payments by the Company for purposes of Taxes and Duties shall be governed by the Agreed Revenue Code and Section 14 and shall be unaffected by this Section 20.4.

20.5 Provision of Funds and Technical Capability.

The Company shall ensure:

- a. that it 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 approved Feasibility Report and compliance with the requirements of Section 20.4; and
- b. that it has directly or indirectly the technical skills and experience to carry out its obligations under this Agreement, each Exploration License and each Mining License.

20.6 Guarantees.

- a. Within five Business Days following the Effective Date, the Company shall provide the Government an executed guarantee (the "Exploration Guarantee") from BHP Minerals Holdings Proprietary Ltd (the "Exploration Guarantor"), in the form attached as Exhibit 6 hereto, guaranteeing the obligations of the Company under Section 10.1 of the Exploration Regulations, and the amount of any such Exploration Guarantee shall be equal to US\$5,000,000. At all times the Exploration Guarantor shall have a Net Worth (by reference to the Net Worth in its latest balance sheet (which balance sheet shall be certified by the chief financial officer of such entity as being true and correct in all material respects)) which is greater than or equal to US\$ 10,000,000 (the "Exploration Guarantor Net Worth Requirements").
- b. Unless the Company elects to provide an alternative form of funding in respect of its closure management obligations pursuant to Section 5.5(g), prior to issuance to the Company of a Mining License the Company shall provide the Government an executed guarantee (the "Mining Guarantee") from an Affiliate of the Company (the "Mining Guarantor") which has a Net Worth (by reference to the Net Worth in the relevant entity's latest balance sheet (which balance sheet shall be certified by the chief financial officer of such entity as being true and correct in all material respects)) which is equal to or



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greater than US\$100,000,000 (the “Mining Guarantor Net Worth Requirements”), in the form attached as Exhibit 6 hereto, guaranteeing the obligations of the Company under each approved EMP and Section 13 (Environmental Protection and Management), and the amount of any such Mining Guarantee shall be equal to the estimate for closure costs as set out in the agreed closure plan comprised in the EMP (provided that such amount shall include a contingency amount of 15% of the estimate for closure costs), which amount shall be revised, and the Mining Guarantee shall be amended accordingly, to reflect any updates to closure costs set forth in any updated EMP.

- c. Upon the provision of the Mining Guarantee by the Company to the Government pursuant to Section 20.6(b), any Exploration Guarantee shall terminate to the extent it related to that part of the Exploration Area which constitutes the Production Area covered by a Mining License in respect of which the Company has provided a Mining Guarantee.
- d. Section 10.3 of the Exploration Regulations or any other provision under applicable Law relating to the provision of security in connection with the grant of an Exploration license or a Mining license shall not apply. To the extent that there is any inconsistency between the Laws relating to the matters set out in this Section 20.6 (whether in effect at the Effective Date or enacted thereafter) and this Agreement, this Agreement shall prevail.
- e. The Exploration Guarantee and the Mining Guarantee shall remain in effect following termination of this Agreement.

20.7 Transactions with Related Persons.

The Company will not 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 Related Person of the Company, except in the ordinary course and pursuant to the reasonable requirements of the Company's business and upon fair and reasonable terms no less favorable to the Company than would be obtainable in a comparable arm's length transaction with a Person not a Related Person.

20.8 The Company.

At all times during the Term, (i) the Company must be a corporation organized under the laws of Liberia, (ii) none of the Affiliates, directors, officers or other Persons described in Section 21.1(c) (whether or not listed on Schedule 21.1(c)) may be a Prohibited Person, (iii) the Company must be an “Eligible Applicant” under the Mining Law and (iv) no officer or director of the Company may be a Person described in Sections 4.2(a), (d), (f) or (g) of the Mining Law. The Company shall notify the Government of any Transfer of any ownership interest in the Company or in any Person which Controls the Company (other than in respect of any Excluded

Holding Company whose shares are publicly listed on the New York, London or Australian stock exchanges or any other recognized stock exchange) within 30 days following such Transfer unless such Transfer otherwise requires notice to, or approval by, the Government pursuant to Section 23. Such notice shall be accompanied by the certification of the chief executive officer of the Company that, immediately after giving effect to such Transfer, the Company is in compliance with the requirements of Section 20.5 and Section 21.1(d) (as updated) and updating the information required by Section 21.1(c).

SECTION 21 – REPRESENTATIONS AND WARRANTIES

21.1 Representations and Warranties of the Company.

The Company represents and warrants to the Government at the date of this Agreement and on the Effective Date as follows:

- a. The Company is a corporation duly organized, validly existing and in good standing under the laws of Liberia, 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 Company, and this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company 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 otherwise noted) complete and correct lists or tables setting forth:
 - i) the Company's shareholders;
 - ii) the Company's Affiliates (other than those Affiliates owned by BHP Billiton Plc) showing forth, in each case, its relationship to the Company and the jurisdiction in which it is organized;
 - iii) the directors and senior officers of the Company, each shareholder of the Company, and each Person deemed to Control the Company, and each Person that is the ultimate beneficial owner of 5% or more of (x) the voting rights ordinarily empowered to control the management of the Company or (y) the rights to share in the profits of the Company, 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. The Company is an "Eligible

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Applicant” under the Mining Law and no officer or director of the Company is a Person described in Sections 4.2(a), (d), (f) or (g) of the Mining Law.

- e. The execution, delivery and performance by the Company of this Agreement will not (i) contravene, result in any breach of, or constitute a default under, any agreement or instrument to which the Company is a party or by which it 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 Company or (iii) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Company.
- f. There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened, against or affecting the Company or any property of the Company 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 Company to enter into and perform its obligations under this Agreement or that, if resolved against the Company, 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 each of:
 - i) the Company; and
 - ii) unless the Company or one of its Affiliates is listed on New York, Australian or London stock exchanges, the Company’s Affiliates,has not 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 Company has, or has the means to access, the experience, finance, expertise, technical know-how and systems required for the conduct of the activities contemplated by this Agreement.
- i. None of the Company, any Affiliate of the Company or any Person acting on behalf of the Company or any Affiliate of the Company 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 (i) any employee or officer of the Government, including any regional or local department or agency or instrumentality thereof, (ii) any employee or officer

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of any enterprise owned or controlled by the Government, (iii) any official of a political party in Liberia, (iv) any official or employee of a public international organization, (v) any other person acting in an official capacity for, or on behalf of, any of the entities described in clauses (i) through (iv), or (vi) any candidate for political office in Liberia.)

For the avoidance of doubt, this Section 21.1 shall apply in substitution of Section 4.2(d) of the Exploration Regulations, which shall not apply to the Company.

21.2 Representations and Warranties of the Government.

The Government represents and warrants to the Company that 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.

SECTION 22 – CONFIDENTIALITY

22.1 The Agreement.

This Agreement is not confidential, and the Company is not entitled to confidential treatment of information relating to the Agreement except as expressly provided in the Exploration Regulations and set out in Section 22.2. The Government or the Company may, and the Government expects to, make public information relating to the timing and amount of Royalties and other payments specifically due or paid under the terms of this Agreement or of Taxes and Duties payable or paid by the Company or the rates at which Royalties, Taxes and Duties or other payments become due or are assessed.

22.2 Other Information.

- a. Subject to the limitations set out in Section 22.2(b) and subject to Section 22.1, for a period of three years from disclosure, each party agrees not to divulge information designated in writing by the other party at the time of delivery as confidential information or which relates to the Company's Products, Operations, processes, plans or intentions, Product information, know-how, design rights, trade secrets, market opportunities and business and financial affairs ("Confidential Information") 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.
- b. Confidential Information does not include information that:
 - i) was publicly available or otherwise known to a party prior to the time of disclosure to it and not subject to a confidentiality obligation;

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- ii) subsequently becomes publicly known through no act or omission by a party;
 - iii) constitutes financial statements delivered to the Government under Section 17.4 that are otherwise publicly available;
 - iv) is of scientific rather than commercial value, such as geological and geophysical data relating to areas in which the Company no longer holds a valid Exploration License and has not designated as a Proposed Production Area; or
 - v) has been disclosed pursuant to generally applicable Law or a final order of any court having jurisdiction that is not subject to appeal.
- c. 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 (A) to effect compliance with any law, rule, regulation or order applicable to such party, (B) in response to any subpoena or other legal process, (C) in connection with any litigation to which such party is a party if reasonably considered necessary to protect such party's position in such litigation or (D) 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.

SECTION 23 – ASSIGNMENTS, TRANSFERS AND CHANGES OF CONTROL

The restriction on Transfers contained in Section 23.1 and the restriction on Changes of Control in Section 23.4 are to be independently applied.

23.1 General Transfer Rule

No Transfer of (1) this Agreement or a Mining License, or (2) any rights of the Company in a Mine or any Immovable Infrastructure (other than in the ordinary course of renewal and replacement of its properties and other than Transfers of Product(s) in the ordinary course of business) is permitted unless the Transfer (i) has received the prior written consent of the Government, which consent may be given or

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withheld in its sole discretion, or (ii) is otherwise permitted under the terms of Section 23.2, 23.3 or 23.6. Unless the Company has received the prior written consent of the Government, which consent may be given or withheld in its sole discretion, the Company may not Transfer any Exploration License relating to the Exploration Area independently of a Transfer of this Agreement; any Transfer by the Company of all of this Agreement shall be deemed to include a Transfer of all rights of the Company under any such Exploration License.

23.2 Permitted Transfer to an Affiliate

- a. A Transfer of (1) this Agreement and each Mining License or Exploration License issued pursuant to this Agreement (if any), and (2) all rights of the Company in the Mine, Mining Plant, Infrastructure (i) to an Affiliate or (ii) as a consequence of a merger or consolidation of the Company with an Affiliate of the Company in which the Company is not the survivor, is permitted if:
 - i) at the time of the consummation of such transaction the Company has not been notified by the Government that it is in material default in the performance of its obligations or the discharge of its liabilities under this Agreement (other than any obligations that have been waived by the Government or defaults that have been cured by the Company to the reasonable satisfaction of the Government) and no order suspending Work by the Company issued under Section 24 of this Agreement or Section 16 of the Exploration Regulations is outstanding and unresolved;
 - ii) such transaction is not otherwise in violation of applicable Law;
 - iii) such transaction does not result in a Change of Control; and
 - iv) the survivor or transferee, as the case may be, is (x) a corporation organized and validly subsisting under the laws of Liberia and (y) an "Eligible Applicant" under the Mining Law and a Permitted Transferee under Section 23.8, and delivers to the Minister, the Minister of Finance and the Chairman of the National Investment Commission prior to the consummation of such Transfer:
 - (A) its agreement, in the form of a deed of adherence to this Agreement or a novation of this Agreement, to assume and perform or discharge all of the obligations and liabilities of the Company under this Agreement and each Mining License;
 - (B) its written representations and warranties to the effect set forth in Section 21.1 stated to be true and correct as of a time immediately after giving effect to such Transfer;
 - (C) the confirmation of the Company, if it continues to exist following such transaction, that it remains liable for the

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performance and discharge of its obligations and liabilities under this Agreement and each such Mining License, unless otherwise agreed by the Minister; and

(D) the confirmation of the Guarantors that the Guarantees provided pursuant to Section 20.6, to the extent required, to apply to the survivor or transferee, as the case may be.

- b. Any failure by the Government to give notice to the Company in accordance with clause (i) of Section 23.2(a) shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.

23.3 Permitted Transfer to a Person not an Affiliate.

A Transfer of (1) this Agreement and each Mining License issued pursuant to this Agreement (if any), and (2) all rights of the Company in the Mine, Mining Plant, Infrastructure (i) to a Person not an Affiliate of the Company or (ii) as a consequence of a merger or consolidation of the Company with a Person not an Affiliate of the Company in which the Company is not the survivor, is permitted if each of the requirements of Section 23.2(a) is satisfied other than clause (iii) of Section 23.2(a) and clause (iv)(D) of Section 23.2(a) and in addition the survivor or transferee, as the case may be,

- a. has demonstrated to the satisfaction of the Government, acting reasonably, that it has directly or indirectly the technical skills, experience and financial resources necessary (or could be reasonably expected to obtain the financial resources necessary as evidenced by a viable financing plan, which is supported by an appropriate commitment letter from any provider of finance) to carry out its obligations under this Agreement, each Exploration License and each Mining License; and
- b. has delivered to the Minister of Finance guarantees, to the extent required, in the form and from an entity or entities required by Section 20.6 guaranteeing the specified obligations of the survivor or the transferee, as the case may be.

If the Government objects to any proposed survivor or transferee on the basis that such proposed survivor or transferee does not satisfy the requirements specified in Section 23.3(a), it shall notify in writing its objection to the Company, giving reasons therefor, within one month from the date it receives notification from the Company that it proposes to make a permitted Transfer in accordance with this Section 23.3. If the Company has not received such notification from the Government within one month from the date the Government received its notification of a proposed permitted

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Transfer, the proposed survivor or transferee shall be treated as having satisfied the requirements specified in Section 23.3(a).

23.4 General Change of Control Rule.

No Change of Control of the Company is permitted unless it has received the prior written consent of the Government or is otherwise permitted under the terms of Section 23.5 or 23.6. For the avoidance of doubt, the granting of any pledge, mortgage, charge or other encumbrance, which, if exercised would result in a Change of Control, will not be treated as a Change of Control until exercised.

23.5 Permitted Changes of Control.

- a. A Change of Control with respect to the Company is permitted if the Change of Control occurs solely by operation of a Transfer otherwise permitted under Section 23.3 or if:
 - i) at the time of the Change of Control the Company has not been notified by the Government that it is in material default in the performance of its obligations or the discharge of its liabilities under this Agreement (other than any obligations that have been waived by the Government or defaults that have been cured by the Company to the reasonable satisfaction of the Government) and no order suspending Work by the Company issued under Section 24 of this Agreement or Section 16 of the Exploration Regulations is outstanding and unresolved;
 - ii) the Company delivers to the Government prior to the Change of Control its written representations and warranties to the effect set forth in Section 21.1 stated to be true and correct as of a time immediately after giving effect to such Change of Control;
 - iii) the Company has demonstrated to the satisfaction of the Government, acting reasonably, prior to the Change of Control that after giving effect to the Change of Control it will have directly or indirectly the technical skills, experience and financial resources necessary (or could be reasonably expected to obtain the financial resources necessary as evidenced by a viable financing plan, which is supported by an appropriate commitment letter from any provider of finance) to carry out its obligations under this Agreement, each Exploration License and each Mining License; and
 - iv) prior to the Change of Control, either the Guarantors under the Guarantees issued pursuant to Section 20.6 have confirmed to the Minister of Finance in writing the continued effectiveness of the Guarantees notwithstanding the Change of Control or the Company has delivered to the Minister of Finance new Guarantees in the form

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from an entity or entities required by Section 20.6 guaranteeing the specified obligations of the Company under this Agreement.

- b. If the Government objects to any Changes of Control on the basis that following such proposed Change of Control the Company would not satisfy the requirements specified in clause (iii) of Section 23.5(a), it shall notify in writing its objection to the Company, giving reasons therefor, within one month from the date it receives notification from the Company that it proposes to make a permitted Change of Control in accordance with this Section 23.5. If the Company has not received such notification from the Government within one month from the date the Government received its notification of a proposed permitted Change of Control, the Company shall be treated as having satisfied the requirements specified in clause (iii) of Section 23.5(a) following such Change of Control.
- c. Any failure by the Government to give notice to the Company in accordance with clause (i) of Section 23.5(a) shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.
- d. If a Person who acquires Control is a wholly-owned subsidiary of a Person who has Control and such acquiring Person continues to have Control after such transaction then such transaction will not be treated as a Change of Control.

23.6 Right to Encumber, and Related Transfers and Changes of Control.

- a. The Company or any Affiliate of the Company may mortgage, charge or otherwise encumber (collectively, a "Mortgage") all or part of the Company's interest under this Agreement and each Mining License as security for an obligation or indebtedness as contemplated by Section 9.18 of the Mining Law (the "Mortgaged Property") and the holder of such Mortgage agrees in writing with the Minister prior to the granting of such Mortgage that it will cause a foreclosure or other exercise of remedies under such Mortgage against the rights of the Company or any Affiliate of the Company in the Mortgaged Property to occur only if:
 - i) the Mortgaged Property either (A) comprises the entirety of a Mining License (including the Mine and Mining Plant situated within a Production Area relating to that Mining License) or (B) the entirety of a piece of Infrastructure which is capable of being separately financed being non-process infrastructure (e.g., residential camp, buildings, hospitals, sewage and water treatment facilities, etc), power generation

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facilities, port facilities (including any related processing facilities) or railroad or rolling stock;

- ii) the exercise of remedies results in a Transfer of 100% of the interest of the Company or any Affiliate of the Company in the Mortgaged Property to a corporation other than the Company organized and validly subsisting under the laws of Liberia;
 - iii) the transferee delivers to the Government prior to such Transfer:
 - (A) its agreement to assume and perform or discharge the obligations and liabilities of the Company under this Agreement and, where relevant, any Mining License relating to the Mortgaged Property;
 - (B) its written representations and warranties to the effect set forth in Section 21.1 stated to be true and correct as of a time immediately after giving effect to such Transfer;
 - iv) the transferee has demonstrated prior to such Transfer to the satisfaction of the Government, acting reasonably, that it has directly or indirectly the technical skills, experience, and financial resources necessary (or could be reasonably expected to obtain the financial resources necessary as evidenced by a viable financing plan, which is supported by an appropriate commitment letter from any provider of finance) to carry out its obligations under this Agreement and, where relevant, each Mining License; and
 - v) all outstanding failures of the Company to make any payments due to the Government under this Agreement cured at the time of such Transfer (including a failure to pay royalties due but excluding any failure to pay taxes due on income or profits) and the transferee has undertaken to cure all other material defaults of the Company then existing (to the extent they can be cured by an entity other than the Company) within 270 days of the date of the transfer.
- b. Any exercise of remedies under a Mortgage in compliance by such holder in accordance with the requirements set forth in this Section 23.6 is both a permitted Transfer and a permitted Change of Control.
 - c. If requested, the Minister, acting on behalf of the Government, will enter into an agreement with any such holder embodying the terms of this Section 23.6 at the time any such Mortgage is granted.
 - d. Notwithstanding the foregoing provisions of this Section 23.6, the Company may grant purchase money security interests in any Movable property owned by it.

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23.7 Reissue of Mining License in Name of Transferee; Mining License Invalid unless Reissue Request Timely Received.

The Minister must reissue in the name of the transferee any Mining License that is the subject of a Transfer permitted under this Section 23 within 30 days after receipt of a transfer request from the transferor or the transferee. A Mining License becomes invalid 90 days after a Transfer otherwise permitted under this Section 23 unless a request to reissue the Mining License in the name of the transferee is received by the Minister within such 90-day period.

23.8 Permitted Transferee.

A “Permitted Transferee” is a Person permitted to hold a Mining License under the Mining Law who (i) 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) as to which 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 23.8 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:

- (A) who is identified on any of the following lists maintained by the United States government: (1) the United States Department of Commerce Denied Persons list (located at <http://www.bis.doc.gov/dpl/thedeniallist.asp>) and Entity list (located at <http://www.bis.doc.gov/entities/default.htm>); (2) the United States Department of the Treasury Specially Designated Nationals and Blocked Persons lists (both located at <http://www.treas.gov/offices/enforcement/ofac/sdn/tl1sdn.pdf>); (3) United States Department of State Foreign Terrorist Organizations list (located at <http://www.state.gov/s/ct/rls/other/des/123085.htm>) or Debarred Parties list (located at <http://www.pmdtc.state.gov/compliance/debar.html>); or (4) the Financial Action Task Force on Money Laundering list of non-cooperative countries or territories (located at http://www.oecd.org/document/57/0,3343,en_2649_201185_1900665_1_1_1_1,00.html), or
- (B) who is identified on the European Union Sanctions list (http://ec.europa.eu/external_relations/cfsp/sanctions/list/consolidated.htm); or
- (C) who is identified on a Sanctions List published by a Sanctions Committee of the United Nations Security Council; or

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- (D) who is (i) identified on the Interpol Red Notice List (<http://www.interpol.int/Public/Wanted/Search/Form.asp>); or (ii) the subject of an arrest warrant issued by the International Criminal Court; or
- (E) who is identified on the World Bank ineligible firms list (<http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>).

“Prohibited Person” also includes 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.

23.9 Responsibility of Licensee.

It is the responsibility of the Company and its Controlling Persons to ensure that Management Rights with respect to the Company are structured and held in such a manner that transfers of such rights are made in compliance with the Change of Control provisions of this Section 23.

23.10 Disclosure; Consents; Exceptions; Fees.

- a. A Transfer or a Change of Control does not comply with the requirements of this Section 23 if any representations and warranties required to be delivered in connection with such Transfer or Change of Control were not true and correct in any material respect as of the date as of which they were made.
- b. A Mining License the subject of a Transfer in violation of this Section 23 becomes invalid upon such Transfer. A Mining License the subject of a Change of Control in violation of this Section 23 becomes invalid 30 days after the occurrence of such Change of Control unless the transaction(s) constituting such Change of Control are reversed within such 30-day period and the Company within such 30-day period reports to the Minister such occurrence and the steps taken to reverse it within five days after the end of such 30-day period.
- c. A Ministerial or Governmental consent required under this Section 23 will not be given prior to payment of the processing fee provided under Section 16.1(g).
- d. For the avoidance of doubt, this Section 23 shall apply in substitution of Section 15 of the Exploration Regulations, which shall not apply to the Company or its Affiliates. To the extent that there is any inconsistency between the Laws relating to the matters set out in this Section 23 (whether in effect at the Effective Date or enacted thereafter) and this Agreement, this Agreement shall prevail.

23.11 Terms used in Section 23.

For the purpose of this Section 23 a “Controlling Person” is a Person who Controls the Company; and 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.

SECTION 24 – SUSPENSION

24.1 Power of Minister to Suspend Work.

The Exploration Regulations govern the right to suspend during the term of the Exploration License subject to the terms of this Agreement. After the issuance of a Mining License pursuant to Section 5 the Minister may order the suspension of all or the relevant portion of any Operations being carried on by the Company under the authority of this Agreement and such Mining License if any of the following events or conditions relating to the Company has occurred and is continuing:

- a. the Company did not pay a surface rent payment when due and the failure is not cured within 15 days after the Company 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 Company 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 (acting reasonably) that there exist material failures to comply with the approved EMP and the Company has not remedied such failures to the satisfaction of the Minister or the EPA (acting reasonably), as the case may be, within 90 days from notice to the Company from either of them as to the nature of such failures; or
- d. the Company is in violation of Section 6.3(b) (other than an isolated immaterial violation); or
- e. the Company is extracting Minerals outside of the Production Area that is the subject of such Mining License; or
- f. the Company is in breach of any its obligations under Section 20.4 or Section 20.8 and has not cured such breach within 90 days after receiving notice from the Minister of such breach; or

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- g. the Company is in material breach of any its obligations under Section 17.4 or Section 20.3 and has not cured such breach within 90 days after receiving notice from the Minister of such breach; or
- h. the Company 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.

24.2 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 Company at its address for notices, or, if delivered to the person in charge at a field office or other location at which the Operations to be suspended are being performed, 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. Subject to Section 24.5, neither the Company'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.

24.3 Compliance with Suspension Order.

The Company must comply with an order of suspension properly given under this Section 24 until such order is withdrawn (or deemed withdrawn) pursuant to Section 24.4 or is directed to be withdrawn pursuant to an administrative order in a hearing held pursuant to the Administrative Procedure Act of Liberia, or an order in a judicial proceeding, or pursuant to an arbitration under Section 27.

24.4 Resumption of Work.

The Company may 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 satisfaction of the Minister, acting reasonably. If within ten Business Days of receiving such submission the Minister neither grants such request nor notifies the Company of the reasons for not granting such request, the order involved will be deemed withdrawn. If within five 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 Company 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.

24.5 Suspension Order Incorrectly Given.

In the event that the Government issues an order of suspension and the Company disputes the existence of a breach or otherwise disputes the validity of such an order, any dispute shall be resolved in the manner set out in Section 27. In the event that an arbitral award determines that the suspension order was incorrectly given, the Company shall obtain an extension of time equivalent to the amount of time the suspension order was in effect in relation to the time for Exploration, the time for the designation of a Proposed Production Area, the time for filing a Feasibility Report and the time to achieve Substantial Construction Completion (as the case may be).

SECTION 25 – EVENTS OF DEFAULT; TERMINATION

25.1 Government Event of Default.

A “Government Event of Default” shall exist:

- a. if (i) the Government shall have failed to comply with its material obligations under this Agreement and such failure has had a material adverse effect on the Company, (ii) such failure is continuing for more than 90 days after the Company notifies the Government of such failure and (iii) within such 90 day period the Government has not cured the adverse impact of such failure; or
- b. 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.

25.2 Company Events of Default.

A “Company Event of Default” shall have occurred if any of the following conditions or events shall occur and be continuing (and for the avoidance of doubt Section 17 of the Exploration Regulations shall not apply and to the extent that there is any inconsistency between the Laws relating to the matters set out in this Section 25, whether in effect at the Effective Date or enacted thereafter, and this Agreement, this Agreement shall prevail):

- a. the Company shall have failed to make any payment due under Section 15.4 and, subject to Section 25.3, such failure not cured within 30 days of notice from the Minister or the Minister of Finance; or
- b. the Company shall have failed to make any other payment due under this Agreement, the Exploration Regulations (as modified by this Agreement), any Mining License issued pursuant to this Agreement or any undertaking of the Company provided for in this Agreement and, subject to Section 25.3, such

failure is not cured within 30 days of notice from the Minister or the Minister of Finance; or

- c. any representation or warranty of the Company contained in Section 21.1(a), Section 21.1(b) (in respect only to the reference to due authorization), Section 21.1(f) or Section 21.1(i) proves to have been false or incorrect in any respect on the date as of which made or any other representation or warranty of the Company contained in Section 21 proves to have been false or incorrect in any material respect on the date as of which made and has had, or would reasonably be expected to have, a material effect on the ability of the Company to perform its obligations under this Agreement; or
- d. the Company shall have failed to comply with its obligations under Section 20.4 or Section 20.8 and shall have failed to cure such failure within 90 days after receiving notice from the Minister of such breach; or
- e. the Company shall have failed to comply with any other material obligation of the Company under this Agreement or a Mining License and shall have failed to cure such failure within 90 days after receipt of notice thereof from the Minister (or the Minister of Finance, in the case of a failure to pay any Taxes and Duties within the grace period provided by applicable Law) provided that where such failure to comply arises only by virtue of the fact it relates to the Company's non-compliance with applicable Law as referred to in this Agreement, such failure to comply shall not constitute a Company Event of Default unless the Company has failed to comply in a serious and prolonged manner with applicable Law as referred to in this Agreement; or
- f. the Company shall (i) voluntarily make an assignment of all or substantially all of its assets for the benefit of creditors other than an assignment made to secure indebtedness incurred in the ordinary course of business, (ii) file a petition or application to any tribunal for the appointment of a trustee or receiver for all or any substantial part of its assets, (iii) commence any proceedings for its bankruptcy, reorganization, arrangement (other than a scheme of arrangement not involving an insolvent company) or insolvency under any laws applicable to 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 of, consent to or acquiescence in, such action 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; or
- g. a Guarantor shall revoke its Guarantee or such Guarantor shall no longer satisfy its respective Guarantor Net Worth Requirements and the Company shall have failed to provide a replacement Guarantee provided by a Guarantor which meets the applicable Guarantor Net Worth Requirements within 90 days after receipt of notice thereof from the Minister.

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25.3 Disputed Payments.

If the Company is notified by the Minister or the Minister of Finance in accordance with Section 25.2 that it has failed to make any payment due under this Agreement, the Exploration Regulations (as modified by this Agreement), any Mining License issued pursuant to this Agreement or any undertaking of the Company provided for in this Agreement (a "Payment Notice"), and the Company disputes part or all of the amount which is the subject of the Payment Notice, it shall, within ten Business Days of receipt of the Payment Notice, notify the Minister or the Minister of Finance of that fact, giving reasons therefor. To the extent the parties are unable to resolve the dispute within a reasonable period of time (taking into account the subject matter of the dispute), the parties shall resolve such dispute in accordance with Section 27. Nothing in this Section 25.3 shall relieve the Company from being obliged to pay any undisputed amount which is the subject of a Payment Notice within the time periods referred to in Section 25.2.

25.4 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.

25.5 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 (a "Termination Notice"). This Agreement and each Exploration License or Mining License shall terminate 60 days after receipt of the Termination Notice by the defaulting party (or at such later time as may be provided in the Termination Notice), subject to Sections 25.5(b) and (c), provided that if the defaulting party cures the Event of Default in respect of which a Termination Notice has been served prior to the termination of this Agreement in accordance with this Section 25.5, the Termination Notice shall be automatically revoked and shall have no effect and neither this Agreement nor any Exploration License or Mining License issued under this Agreement shall terminate.
- b. If a Mortgage permitted under Section 23.6 exists, the Termination Notice will not be effective so long as the Company, the holder of the Mortgage and the responsible officer of any relevant tribunal referred to in Section 25.2(f) are diligently seeking to transfer the rights and obligations of the Company under this Agreement, any Mining License, the Mine and substantially all of the Mining Plant, Infrastructure and related property of the Company to a transferee that would be permitted under Section 23 so long as (i) such a transfer is completed within 18 months from the commencement of such proceedings, (ii) the operations of the Company continue on a commercial

scale throughout such period (subject to Force Majeure) in substantial compliance with the requirements of this Agreement and the relevant Mining License, and (iii) the Company becomes and remains in compliance with its EMP and its payment obligations under this Agreement.

- c. Any dispute relating to the existence of an Event of Default, its remedy and any purported termination in connection therewith pursuant to this Section 25 shall be resolved in the manner set out in Section 27. If a party asserts the existence of an Event of Default and the other party refers to arbitration in accordance with Section 27 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. In the event that an arbitration award upholds the existence of such Event of Default, the party in default shall be entitled to cure the default in accordance with the relevant cure period specified in this Section 25. Failure to cure the default within such period shall entitle the non-defaulting party to terminate this Agreement in accordance with Section 25.5(a). The Company shall reimburse the Government for all expenses incurred by it in connection with arbitration held pursuant to this Section 25.5(c) if the Government's determination that a Company Event of Default exists is upheld in the arbitration. The Government shall reimburse the Company for all expenses incurred by it in connection with arbitration held pursuant to this Section 25.5(c) if the Company's determination that a Government Event of Default exists is upheld in the arbitration. For the avoidance of doubt, Section 18 of the Exploration Regulations or any other equivalent provision under applicable Law shall not apply.

25.6 Automatic Termination.

If, at any time during the Term:

- a. the Company has no remaining Exploration Licenses or Mining Licenses and is not awaiting the issuance of a Mining License pursuant to Section 5.7(g);
- b. there are no areas as to which the Company has extended the time for designating Proposed Production Areas pursuant to Section 5.1(h)(i) as to which the period for extension has not expired;
- c. there are no Proposed Production Areas as to which the Company has extended the time for filing a Feasibility Report pursuant to Section 5.1(h)(ii) or has received approval from the Government to deliver a Feasibility Report pursuant to Section 5.2, in each case as to which, if the applicable Feasibility Report has not been filed, the applicable time for filing has not expired;
- d. there are no other designated Proposed Production Areas as to which the Filing Date has not expired;

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- e. there are no Feasibility Reports, including any amendments, modifications or supplements thereof, under review by the Ministry; and
- f. there are no Disapproved Feasibility Reports as to which the applicable time periods set forth in Section 5.7(e) have not expired,

this Agreement shall automatically terminate without requirement of action by the Company or the Government and the Company and the Government shall have no further obligations under this Agreement other than (i) with respect to the Company, its closure management obligations as set out in its Approved Work Program and Budget or its approved EMP (as applicable) and (ii) with respect to both parties those matters that survive pursuant to, and all other liabilities or obligations described in, Section 33.7.

25.7 Winding-up Commission.

- a. Except as provided in Section 25.7(d), if a notice of termination has been given, the parties hereto shall set up a winding up commission (hereinafter referred to as the "Commission") which shall consist of two directors of the Company, 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 Company, 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 or the Company and his or her firm may not in the past five years have been regularly retained by the Government or the Company. 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 Company 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 Operations 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 Company should seek to transfer the assets and operations of the Company 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 26 and the restoration of the areas environmentally adversely affected by Operations to such condition as prescribed in the closure management plan provided for in the EMP.

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- d. The operation of this Section 25.7 is suspended under the circumstances contemplated by Section 25.5(b) or pending the final decision of an arbitration challenging such termination commenced under Section 27. The notice of arbitration is automatically terminated if a transfer contemplated by Section 25.5(b) is timely completed or if a final decision in an arbitration commenced under Section 27 determines that the notice of termination is invalid or should be disregarded.

SECTION 26 – DISPOSITION OF ASSETS

26.1 General Provision.

Prior to the termination of this Agreement, the Company shall have the right to control all its Mining Plant, Infrastructure and other assets, whether or not the same may revert to 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 any Mining License).

26.2 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 Company upon the occurrence and continuation of a Government Event of Default, the following rules apply:

- a. The Company shall deliver to the Government, not more than 90 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, including structures and installations to which the Government has title, and any Movable assets required for the full use or operation of any such Mining Plant and Infrastructure (such as, by way only of example, computers and computer programs controlling the operation of Mine ventilation systems and elevators), but excluding other Movable assets, identifying which assets could be used in continued Operations or otherwise and which in the good faith judgment of the Company have no further utility; and
 - ii) the Mine, any assets required for the full use or operation of the Mine and all Mining Plant and Infrastructure constituting improvements to the Land (including such things as roads, earthworks, bridges and dams, but excluding any Movable assets).
- The Property List shall also set forth the estimated fair market value of each Movable asset contained on such list. Movable assets identified in clause (i) of this Section 26.2(a) may be grouped for valuation purposes by generic type

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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 Company from the duty to describe such Movable assets in reasonable detail and the Government may request that the price for specified items included on the Property List be broken out from such aggregate valuation. The Property List shall be accompanied by a certificate of the Chief Executive Officer of the Company to the effect that such list is complete and correct in all material respects.

- b. The Company shall, as part of its closure responsibilities, remove all such structures and installations described in the Property List pursuant to clause (i) of Section 26.2(a) and to which the Company has title except insofar as the Government, within 90 days of receipt of such list, has directed the Company 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 Movable assets which the Government elects to purchase pursuant to Section 26.2(f). The Company shall transfer to the Government, without charge, all of its right title and interest in each structure or installation (other than Movable items) promptly following its receipt of such authorization or direction as to such property. The Company shall also, as part of its closure responsibilities, remove those structures and installations described in the Property List pursuant to clause (i) of Section 26.2(a) and to which the Government has title and those required Movable assets identified on the Property List and to which the Government has title, in each case as to which the Government, within 90 days of receipt of such list, has directed the Company to remove.
- c. The Company shall transfer to the Government, without charge, all of its right, title and interest in all Immovable property described pursuant to clauses (i) and (ii) of Section 26.2(a) within 10 days of the delivery of the Property List.
- d. If the Company wishes to sell to a third party (other than an Affiliate) any Movable assets (except any Movable assets which are referred to in clause (i) of Section 26.2(a) and ordinary office equipment, furnishings and supplies and consumables reasonably expected to be consumed before the Termination Date) and any other information required for the full use or operation of such Movable assets, it shall include such assets and information in the Property List. For the avoidance of doubt, the Company shall be permitted to transfer any Movable assets (except any Movable assets which are referred to in clause (i) of Section 26.2(a)) to any Affiliate on any terms without first offering them to the Government pursuant to this Section 26.2.
- e. The Government shall have the first right of refusal to purchase the Movable assets contained in the Property List in accordance with Section 26.2(f).

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- f. The delivery of the Property List shall constitute an offer by the Company to sell to the Government or its designee any or all Movable assets contained in the Property List at a purchase price equal to the fair market 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 Company within 60 days after delivery of the list, then the Company 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 information, it shall pay the purchase price within 90 days of the date upon which such purchase price is established, against transfer by the Company to the Government of all of its right title and interest in such Movable asset.
- g. The Government, by notice to the Company within a reasonable period but not to exceed one year after any termination of this Agreement, may require the Company 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 Company 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 Company.
- h. Except in accordance with Section 26.2(i) and (j), no transfer to the Government of any assets pursuant to this Section 26 with or without compensation shall release the Company from any of its environmental restoration or remediation obligations under this Agreement which exist as at the date of termination of this Agreement.
- i. Subject to Section 26.2(j) below, following the termination of this Agreement and prior to the transfer of any assets to the Government in accordance with this Section 26, the Company, the Government and the EPA shall agree upon the nature and extent of the Company's environmental restoration or remediation obligations in accordance with the agreed closure plan comprised in the EMP (as may have been updated from time to time) (the "Final Closure Plan"), including such amounts required to fund the Company's obligations as set out in the Final Closure Plan. Following the transfer of any assets pursuant to this Section 26 to the Government, subject to its obligations in the Final Closure Plan, the Company shall have no further liability in respect of any environmental restoration or remediation other than as provided for in the Final Closure Plan. Once the Company shall have completed the Final Closure Plan it shall provide a certificate of the Chief Executive Officer to the Government as to its completion. If either the Government confirms its agreement in writing or fails to provide within 9 months of the date of such certificate a notice setting out in writing the areas where it considers that the Company has not satisfied the obligations in the Final Closure Plan then the Company shall have no further liability in respect of any environmental restoration or remediation. In the event that the Government provides such a

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notice then once the Company has completed the items (or any dispute in respect thereof has been settled) then the Company shall be entitled to recommence the process.

- j. 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 the Mine, it will release the Company from its environmental restoration or remediation obligations and make such set-aside amounts available to fund the environmental restoration or remediation obligations of the replacement operator and the Company shall have no further liability in respect of any environmental restoration or remediation other than in respect of any obligations set out in the Final Closure Plan save that the Company shall not be responsible for any environmental restoration or remediation required as a result of the continued operations of the Mine. In any such case, the Company 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 26.2, in the manner provided for in this Section 26.2, provided that the Company is not obligated to transfer assets for which payment is required under Section 26.2 except against payment of the purchase price required by this Section 26.2.
- k. All right, title and interest in all Feasibility Reports shall automatically vest in the Government, subject to the Company being able to use such Feasibility Reports in connection with any obligations which survive termination or any other projects in Liberia.

26.3 Special Provisions for Public Use Infrastructure.

To the extent the Company has built and is operating under its Mining License or this Agreement facilities required by 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), unless the Government agrees otherwise with the Company, the Government may, in lieu of the procedures set forth in Section 26.2, require (by notice to the Company within 90 days after the delivery of the Property List) the Company to transfer all of its right title and interest, in and to any such facility (including all Movable Assets normally used in conjunction with any such facility and all other information required for the full use or operation of such facility) to a Person designated by the Government, in the case of Immovable assets, without charge or, in the case of Movable assets, for the purchase price attributable to such Movable assets and related information determined as provided in Section 26.2(f), as applicable, on an "as is and 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 90 days of the later of the date upon which such purchase price is established and the date such purchaser is designated.

26.4 Certain Insurance and Maintenance Obligations of the Company.

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The Company shall insure in accordance with the requirements of this Agreement and maintain (in accordance with the requirements of this Agreement) the Mine, all Mining Plant and Infrastructure and all Movable assets until (i) title is transferred to the Government by the Company, where transfer of the property is required under this Section 26 without action by the Government, (ii) payment is to be made for such property under this Section 26, where such transfer is 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 26 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 required by the Government in accordance with this Section 26.

26.5 Determination of Movable Asset Fair Market Value.

Unless the Government notifies the Company that it disagrees with the Company's fair market value estimates for a Movable asset (and related information) included in the Property List at or prior to the time it notifies the Company of its desire to acquire such asset, the Company'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 Company if the Company 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 Company unless the valuation placed on the asset by the appraiser is at least 95% of the valuation placed on the asset by the Company, in which case the cost of the appraiser shall be by the Government. If the Company is unable or fails to provide for the transfer of any information 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 information), its fair market value shall be determined based on its value to a Person who must acquire in the marketplace the necessary information.

26.6 Disposition of Mining Plant and Infrastructure on Termination by the Company.

- a. Upon a termination of this Agreement by the Company upon the occurrence and continuation of a Government Event of Default, all Mining Plant and Infrastructure or installations of any kind (other than any Movable items or any information related thereto) become the property of the Government except to the extent the Government elects to transfer the relevant Land to the Company.
- b. All Movable assets (and information related to the use or operation of such Movable assets) shall be and remain the property of the Company. The Company must remove all such property from Land not owned or leased by the Government within two years of the date of termination.

26.7 Miscellaneous.

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In connection with any transfer of rights in property pursuant to this Section 26, the Company shall execute such instruments of transfer sufficient to transfer all right, title and interest of the transferor as the transferee may reasonably request.

26.8 Liens.

Any transfer of property to the Government or a third party pursuant to this Section 26 shall be free and clear of Liens or other charges and encumbrances of any kind arising out of any action or inaction of the Company or any Person claiming by, through or under the Company (other than any Liens granted pursuant to and in accordance with Section 23.6).

26.9 Intellectual Property.

To the extent that any intellectual property is required for the full use or operation of the Mine, Mining Plant and Infrastructure which is transferred to the Government pursuant to this Section 26, to the extent the Company owns or has a right to such intellectual property, so far as it is reasonably able to do so and subject to any third party rights in relation to such intellectual property, the Company shall grant a license or assign its rights to the intellectual property to the Government. To the extent the terms on which the Company is granted the rights to use such intellectual property prohibit its assignment without third party consent, the Company shall use reasonable endeavors to obtain such consent on behalf of the Government. "Intellectual property" includes trademarks, patent licenses, copyrights, software, electronically stored data and "know-how".

SECTION 27 – ARBITRATION

27.1 Submission to UNCITRAL Arbitration.

- a. Where any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement, including without limitation any dispute as to its existence, interpretation, construction, validity or termination, the rights or liabilities of the parties, the enforceability, performance, expiry, termination or breach of the Agreement whether based on contract, tort or otherwise (a "Dispute"), the parties shall attempt to reach an amicable settlement through mutual discussion. If, notwithstanding the parties' attempts, it is not possible to reach such a settlement within 20 Business Days of one party giving the other party notice of the Dispute, the Dispute shall be referred to and finally resolved by arbitration conducted in accordance with the UNCITRAL Rules. Any such arbitration shall be administered by the LCIA.
- b. Unless the parties agree that any matter subject to arbitration under this Agreement shall be referred for resolution by a single arbitrator, any arbitral tribunal constituted pursuant to Section 27.1(a) shall consist of three arbitrators appointed in accordance with the UNCITRAL Rules. Each party shall appoint one arbitrator (save where the Company and Shareholder are both parties to a Dispute, in which case they shall jointly appoint one

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arbitrator) and the two arbitrators so appointed shall appoint a third arbitrator who shall act as president of the arbitral tribunal. Where either party fails to appoint an arbitrator within 45 Business Days of being called upon to do so by the other party or where the party-appointed arbitrators have not appointed a third arbitrator within 20 Business Days after the appointment of the second of them, either party may apply to the LCIA Court to appoint that arbitrator.

27.2 Seat of Arbitration.

The seat of any arbitration conducted pursuant to this Agreement shall be London, England and the proceedings shall be conducted in the English language. The parties agree to submit irrevocably to the jurisdiction of the English courts for the limited purpose of enforcing this agreement to arbitrate. The Company shall be considered an Australian national for the purposes of any court proceedings or arbitration under this Section 27.

27.3 Special Provisions.

The decision of the arbitrators shall be public. Any monetary award shall be assessed and payable in Dollars (determined at the Prevailing Market Rate of Exchange if the award involved an obligation expressed in any currency other than Dollars). The arbitrators may not award specific performance or similar equitable remedies against the Government. Neither party shall have any liability for either consequential damages or exemplary or punitive damages.

27.4 Single Arbitrator.

Where this Agreement provides, or if the parties agree that any matter subject to arbitration under this Agreement shall be referred for resolution by a single arbitrator, the parties shall promptly appoint such an arbitrator by agreement between them. In the absence of agreement as to the choice of arbitrator the LCIA Court shall make the appointment. The decision of the single arbitrator shall be final and binding unless appealed by any party to a full panel of arbitrators appointed as provided in this Section 27, 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.

27.5 Shareholder Benefit and Appointment and Government Acknowledgement.

- a. The "Shareholder" means the Person which has direct Control of the Company.
- b. BHP Billiton Iron Ore Holdings Pty Ltd, a corporation organized under the laws of Australia is and shall be the initial Shareholder.
- c. The Shareholder shall benefit from the rights conferred on the Company under this Agreement, including but not limited to under this Section 27, and shall be entitled to be a party and to make claims in its own name in any arbitration

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under this Agreement and to all the remedies that would be available to the Company and the Government hereby acknowledges and consents to the Shareholder having such rights. Whether advanced in the name of Shareholder or the Company, only a single claim may be made with respect to any Dispute under this Agreement and any award shall be limited by the amount that the Company could claim for breach of this Agreement.

- d. The Company hereby irrevocably appoints the Shareholder to act on its behalf with respect to all matters pursuant to this Section 27. Such appointment shall include the right to initiate, conduct, manage, and settle any and all aspect of any arbitration pursuant to such Section, and the Government hereby acknowledges and consents to such appointment.
- e. The Shareholder may transfer Control of the Company in accordance with this Agreement, in which case the new Shareholder shall enter into a deed of adherence to this Agreement in the form set out in Exhibit 10 and the Company and the Government acknowledge and agree that the new Shareholder's entry into such a deed of adherence shall constitute a written arbitration agreement between the new Shareholder, the Company and the Government in the terms set out in this Section 27.

SECTION 28 – NOTICES

28.1 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 electronic mail, by postage prepaid registered mail, by prepaid internationally recognized courier service, or by any other means of communication agreed upon in writing 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 28. 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.

28.2 Delivery.

Subject to Section 28.5, 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. Electronic mail confirmation of receipt originated by the recipient is received at the electronic mail address of the sender.
- c. Written confirmation of receipt is received by the postal or courier service delivering the Communication.
- d. The recipient has otherwise directly or indirectly acknowledged receipt of the Communication in writing.
- e. 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.

28.3 Addresses.

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

Project Director
BHP Billiton (Liberia) Inc.
Old Sophie Road
Off Tubman Boulevard
Oldest Congo
Monrovia, Liberia

Email: BHPB.Liberia@bhpbilliton.com

With a copy of all communications alleging or relating to any failure of a party to this Agreement to comply with the terms of this Agreement to:

Pierre, Tweh & Associates
Suite 201, Palm Hotel Building
Broad & Randall Streets
Post Box 2536
Monrovia, Liberia

And

Email: Jeffery.M.Zweig@bhpbilliton.com

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

Level 15
St Georges Square
225 St Georges Terrace
Perth WA 6000
Australia
Attention: Company Secretary

With a copy of all communications alleging or relating to any failure of a party to this Agreement to comply with the terms of this Agreement to:

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

All Communications from the Company and/or the Shareholder 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

And

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

And

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

With a copy of all communications alleging or relating to any failure of a party to this Agreement to comply with the terms of this Agreement to:

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



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28.4 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 authorized to receive such Communications.

28.5 Quantities.

All notices, reports, applications, feasibility reports and related plans and documents, financial statements and similar materials furnished to the Government by the Company under this Agreement shall be delivered to each Government addressee provided for under Section 28.3 or Section 28.4 (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 36 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 Company.

SECTION 29 – FORCE MAJEURE

29.1 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 Company 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. The party giving such notice shall take all reasonable steps to mitigate such disability 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, other than obligations for the payment of money (except as provided in Section 29.4), shall be extended until the effect of such Force Majeure is remedied as above provided or otherwise ceases. However, the Term and all Mining Terms shall be extended as a result of an event of Force Majeure if and only if such event causes the stoppage of substantially all of a material part of Operations.

29.2 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, labor or employer-

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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.

29.3 No Required Settlement.

Nothing in Sections 29.1 or 29.2 above shall, in and of itself, be construed to require the Company to settle any strike, lockout or other labor or industrial dispute.

29.4 Surface Rentals.

Notwithstanding Section 29.1, 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 Company from carrying out Operations and provided that such events have been continuing for a period of more than 90 days, the Company shall be excused from the payment of surface rents accruing during such period under Section 15.4.

29.5 Termination As A Result of Force Majeure.

The Company shall be entitled to terminate this Agreement and shall have no further obligations under this Agreement if:

- a. the circumstances giving rise to a Force Majeure event are continuing for a period of more than 360 days; or
- b. following a Force Majeure event having occurred, the loss or damage caused to Operations or the Mine, Mining Plant or Infrastructure is, in the Company's reasonable opinion, so material that it would be uneconomical to remedy the material adverse impact resulting from the Force Majeure event,

in each case provided that the Company has notified the Minister of such fact, following which the Agreement shall terminate 60 days following such notification being sent to the Minister.

SECTION 30 – GOVERNING LAW

30.1 Applicability of Liberian Law.

Except as explicitly provided in this Agreement and the Agreed Revenue Code, the Company shall be subject to all of the internal laws of Liberia as in effect from time to time, including with respect to labor, environmental, health and safety, customs and tax matters.

30.2 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.

SECTION 31 – PERIODIC REVIEW

31.1 Profound Change 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 31.1, the Government on the one hand and the Company on the other hand, shall meet once every five (5) years after the date of the Start of Commercial Production or, if earlier, if one party reasonably considers a Profound Changes in Circumstances to have occurred to establish whether or not a Profound Changes in Circumstances has occurred. To the extent that a Profound Changes in Circumstances has occurred the parties shall enter into good faith discussions to consider such modifications to this Agreement as they may in good faith agree are necessary provided that for the purposes of this Section 31.1 it is agreed by the parties that “good faith discussions” shall not require a party to agree to any modifications to this Agreement. The parties shall effect such modifications to this Agreement that the parties agree are necessary.

31.2 Other Consultation.

In addition to the consultation and review provided by Section 31.1, 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, subject to the requirements of Section 33.3.

SECTION 32 – WAIVER OF SOVEREIGN IMMUNITY

The Government hereby irrevocably waives, in relation to any dispute arising out of, in relation to, or in connection with, this Agreement, whether relating to acts of a sovereign or governmental nature or otherwise, all claims of immunity from the jurisdiction of, and from the enforcement of any arbitral award rendered by, an 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 33 – MISCELLANEOUS

33.1 Where Payments to Government are Made.

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Unless this Agreement expressly provides otherwise, all amounts payable by the Company to the Government under this Agreement must be paid to the Ministry of Finance for deposit in the general revenues account of the Government against delivery of a receipt or other official document evidencing payment of the amount and the purpose for which paid.

33.2 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, save as may be hereafter set out in this Section 33.

33.3 Amendment and Interpretations.

Any modification or amendment of this Agreement shall be by the mutual written agreement of the parties (with the Minister, the Minister of Finance and the Chairperson of the National Investment Commission, or such other persons as may be notified by the Government to the Company, acting for the Government) and shall not become effective until (i) approved by the President of the Republic and (ii) (except for (a) any waivers or non-material modifications and amendments), approved by the Legislature. Interpretations of this Agreement agreed to by the parties which affect the determination of amounts due under this Agreement are not valid and do not bind the Government unless the Minister of Justice and Minister of Finance have consented thereto in writing.

33.4 Limitation of Liability.

Neither party shall have any liability under this Agreement for consequential damages or any form of exemplary or punitive damages.

33.5 Non-Waiver of Rights.

Either party may (i) extend the time for the performance of any of the obligations of the other party, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, or (iii) waive any non-compliance by the other party with, or default by the other party under, any provision of this Agreement, provided that such extension or waiver must be in writing. In the case of the Government, any such extension or waiver must be executed by the Minister, the Minister of Finance and the Chairperson of the National Investment Commission, or such other persons as may be notified by the Government to the Company, provided that, save as expressly set out in this Agreement, any such extension or waiver that, if given effect, would modify any provision of applicable statutory Law (other than this Agreement), shall not become effective until, in addition, it is approved by the Legislature. The non-exercise or partial exercise by one or the other of the parties of any of its rights under the terms of this Agreement shall not in any case constitute a waiver of that right. Without prejudice to the generality of the foregoing sentence, the failure of the Government to make any

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inspection described in this Agreement or provided for under applicable Law or ascertain in any such inspection the existence of any breach by the Company of any of its obligations under this Agreement, any plan described in Sections 5.4 through 5.6 or applicable Law shall not affect the ability of the Government to require full compliance by the Company with such obligations.

33.6 Assignment and Succession.

The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the 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.

33.7 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, Section 1, the final sentence of Section 19.9(c), Sections 20.1, 20.5, 20.6, 22, 25.7, 26, 27, 28, 30, 32, and Sections 33.1 through 33.10, all liabilities of either party accruing prior to such termination and all closure management and environmental remediation, restoration or reforestation obligations of the Company under this Agreement or each EMP shall survive such termination. Moreover, any such termination shall be without prejudice to rights, duties and obligations of either party 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 accrued rights, duties and obligations shall survive such termination for the period necessary.

33.8 Severability.

Should any Section of this Agreement, or any provision or term of any Section, be found, pursuant to Section 27, 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.

33.9 Publication.

The Government shall make public this Agreement and any amendments or written interpretations of this Agreement.

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33.10 Third Party Beneficiary

Apart from the Government, the Company and the Shareholder, no Person shall have any rights under this Agreement.

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

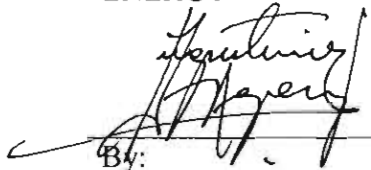
Signed in 2 originals on the 4th day of _____ June 2010.

IN PRESENCE OF:

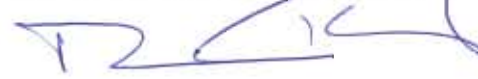
FOR THE GOVERNMENT OF THE REPUBLIC
OF LIBERIA



By:
THE MINISTER OF LANDS, MINES AND
ENERGY

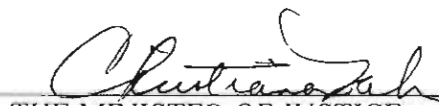


By:
THE MINISTER OF FINANCE



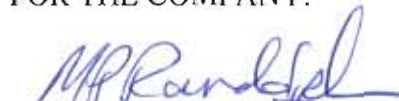
By:
THE CHAIRMAN OF THE NATIONAL
INVESTMENT COMMISSION

ATTESTED BY:



THE MINISTER OF JUSTICE

FOR THE COMPANY:



By: Marcus Randolph
DULY AUTHORISED REPRESENTATIVE



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FOR THE SHAREHOLDER


By: JOHN SLAVEN
DULY AUTHORISED REPRESENTATIVE

Approved on this 11 day of June, A. D. 2010.


Ellen Johnson Sirleaf
PRESIDENT
REPUBLIC OF LIBERIA

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Schedule 14.3(g)
Applicability of 30 Percent Income Tax Rate

SECTION 1.
METHOD TO CALCULATE YIELD.

(a) *Applicability of 30 Percent Income Tax Rate.* The Company and Operations shall be subject to a 30 percent income tax rate in any year when the Company's accumulated net cash flow calculated in accordance with this Schedule is positive at the end of such year. The first year for such calculation shall be the first tax period in which the Company has a Class A mining license and has begun construction.

(b) *Net Accumulated Cash Flow.* The Company's accumulated negative net cash flow shall be determined by applying an annual accumulation factor of 1.225 to negative net cash flow carried forward from a prior tax period (other than in the first year of calculation). At the close of each tax period, accumulated negative net cash flow carried forward from the prior period shall be increased by current negative net cash flow or offset by current positive net cash flow. The Company is not subject to the 30 percent income tax rate unless its accumulated net cash flow so calculated at the close of a period is positive.

(c) *Re-Set Accumulation to Zero.* Following a tax period for which income tax is payable at the 30 percent rate, the Company's accumulated negative cash flow is re-set to zero and the method of subsection (d) is re-applied using zero as the starting point for the succeeding tax period.

(d) *Steps to Calculate Net Cash Flow.* Beginning with the first tax period in which the Company has a Class A mining license and has begun construction, the following steps are used to calculate net cash flow.

(1) *Cost.* State the expenditures, as specified in Section 2 of this Schedule, for the tax period. This is the Company's cost through the close of the period. Go to Step 2.

(2) *Revenues.* State the Company's revenues, as specified in Section 3 of this Schedule, for the tax period, including revenues, if any, from the exploration period as defined in Section 700 of the Agreed Revenue Code and Section 14.3(l) of this Agreement. This amount is the Company's *revenues* through the close of the period. Go to Step 3.

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(3) *Test Net Cash Flow.*

(A) **Determine net cash flow.** Subtract from *revenues* the amount of *cost* to arrive at net cash flow ($R - C = NCF$).

(B) **Net cash flow zero or negative.** If net cash flow is zero or negative, the 30 percent rate does not apply. Multiply the negative net cash flow by 1.225 to arrive at the Company's *accumulated negative net cash flow* to be carried to the next tax period. Go to Step 4.

(C) **Net is positive.** If net cash flow is positive, the Company and its Operations are subject to a 30 percent income tax rate for such year. Accumulated negative net cash flow is re-set to zero in accordance with subsection (c). Go to Step 4.

(4) *Reprise.* Re-apply steps (1) through (3) for each succeeding tax period, beginning with the period after the one tested under Step 3.

(A) Add costs incurred in the succeeding period to any accumulated negative net cash flow carried from the prior period (zero if re-set) as under Step 1. Go to (B).

(B) State revenues for the succeeding period as under Step 2. Go to (C).

(C) Test net cash flow as under Step 3.

SECTION 2. DETERMINATION OF EXPENDITURES

(a) *Expenditures Counted.* The Company's total *expenditures* for a tax period is the sum of the following amounts incurred during the period, and does not include the amount of any income tax paid:

(1) Expenses deductible in computing taxable income, but not the allowance for depreciation or interest and finance charges;

(2) Capital expenditures to acquire or construct a tangible or intangible asset for use in mining operations; and

(3) Exploration, development, and capital goods expenditures as defined in Section 700 of the Agreed Revenue Code and Section 14.3(l) of this Agreement. For the Company's first tax calculation period (the first tax period in which the Company has a Class A mining license and has begun construction) include expenditures for prior exploration, development, and capital goods attributable to the project under Section 700 of the Agreed Revenue Code and Section 14.3(l) of this Agreement.

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(b) *Transfer of Interest.* Consideration paid for transfer of an interest in the Company's assets is disregarded in determining the Company's total expenditures.

(c) *Only Production Expenditures.* If an amount referred to in subsection (a) is attributable to Production and some other non-Production activity of the Company, only the amount attributable to Production is included in determining the Company's total expenditures.

SECTION 3. DETERMINATION OF TOTAL REVENUES

(a) *Revenues Counted.* The Company's total revenues for a tax period are the sum of the following amounts:

(1) The Company's gross income for income tax purposes for the tax period, including amounts from hiring or leasing-out property or the granting of rights to use property (but not including interest income);

(2) Any consideration received for the tax period for the disposal, destruction, or loss of any property (including materials, equipment, plant, facilities, and intellectual property or rights) used in mining operations if the expenditure incurred in acquiring the property was deducted in computing the Company's net cash flow for any tax period;

(3) Any amount received for the tax period for provision of information or data obtained from any survey, appraisal, or study relating to mining operations, if the expenditure incurred in undertaking the survey, appraisal, or study was previously deducted in computing the Company's net cash flow for any tax period;

(4) Any other amount received for the tax period that is a reimbursement, refund, or other recoupment of an amount previously deducted in computing the net cash flow of the Company for any tax period; and

(5) If property used in mining operations has been destroyed or lost, any compensation, indemnity, or damages the project received in respect of the property under an insurance policy, indemnity agreement, settlement, condemnation action, or judicial decision.

(b) *Transfer of Interest.* Consideration received for transfer of an interest in the Company's assets is not included in a Company's total revenues.

(c) *Only Production Revenues.* If an amount referred to in subsection (a) is attributable to Production and some other non-Production activity only the amount attributable to Production is included in determining the Company's total revenues.

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SECTION 4: INFORMATION RETURN

The Company shall file together with its annual income tax return an information return setting out the computation of accumulated net cash flow and its components for the relevant tax year including such detail as the Ministry of Finance may reasonably require.

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Example Calculation

Agreed Form Attached

Illustrative Example of Resource Rent Calculation

Assumptions	Year -4	Year -3	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Illustrative Net Cash Flow Calculation																								
Revenue	200				200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Cash Costs including royalties, etc	50				50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Operating Cash Flow before Interest & Taxes					150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
Total Costs prior to issue of Class A mining license	40	(40)																						
Capital Investment after issue of Class A mining license	(300)	(90)	(90)	(90)																				
Sustaining Capital	(8)				(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Net Cash Flow before interest and taxes	(130)	(90)	0	(90)	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145
Resource Rent Calculation																								
Return Threshold	22.5%																							
Cumulative net cash flow imputed Return	(130)	(220)	(309)	(400)	(459)	(483)	(504)	(521)	(541)	(566)	(592)	(620)	(649)	(679)	(710)	(742)	(775)	(809)	(844)	(880)	(917)	(955)	(994)	(1033)
Cumulative net cash flow including return	(130)	(249)	(365)	(474)	(568)	(639)	(688)	(734)	(777)	(818)	(857)	(894)	(929)	(962)	(993)	(1022)	(1050)	(1077)	(1103)	(1129)	(1155)	(1181)	(1207)	(1233)
Resource rent payable?	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pretax IRR Check	0%	0%	0%	0%	0%	0%	2.3%	9.4%	13.8%	16.7%	18.7%	20.2%	21.2%	22.0%	22.5%	23.0%	23.3%	23.6%	23.7%	23.9%	24.0%	24.1%	24.2%	24.3%

Notes:

- (1) Cash costs do not include any interest or financing costs. Calculation of costs and expenses shall be made in accordance with Section 731 (expenditures) and Section 732 (revenue) of the Agreed Revenue Code.
- (2) Calculation is to be done on a nominal basis (ie using actual cash flows)
- (3) The ringfencing of projects for income tax purposes also applies to the surtax calculation
- (4) Costs incurred prior to the issuance of a class A mining license are, for the purposes of the net cash flow calculation, attributed to the beginning of the year in which the class A mining license is granted and the 22.5% accumulation factor is only added from that point. Examples assumes that class A mining license is issued as of January 1 or year -4.

Schedule 15.1
Royalty Rates

The Royalty Rate to be applied to the Sales Price for shipments shall be determined as follows:

Index Price USdollars/dmt	Royalty Rate
100 or less	3.25%
100.1 to 125.0	3.50%
125.1 to 150.0	4.00%
150.1 or above	4.50%

The Index Price for any month shall be the spot price applicable to shipments for the immediately prior month (or if such prices are quoted on a daily or other basis more frequent than monthly the arithmetic average of such prices for the relevant month) for Brazilian, Carajas fines, 67.55 percent FE (iron) content, for shipment to Europe FOB Ponta da Madeira (Companhia Vale do Rio Doce, Rio de Janeiro, Brazil expressed in US dollars/dmt (the "Vale Price") or such other public market price as the Parties may agree from time to time.

In the absence of the Vale Price or other agreed index price, the index price shall be determined by a single arbitrator in accordance with the provisions of Section 15.3, such index to substantially preserve the intended economic benefits to each Party of the scaled Royalty Rates provided by this Schedule.

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Schedule 21.1(c)
Shareholders, Affiliates and Related Matters

Company
BHP Billiton Liberia Incorporated
(Incorporated in Liberia)
100% owned by BHP Billiton Iron Ore Holdings Pty Ltd

Directors:

Kelly Marie O'Rourke
John Dunbar Slaven
Jeffrey Mark Zweig

Secretary

Pierre Tweh & Associates

BHP Billiton Iron Ore Holdings Pty Ltd
(Incorporated in Australia)
Company Nbr: ACN: 142 552 190
100% owned by BHP Billiton Limited

Directors

Ian Ashby
Stewart Hart
Steve Herlihy

Secretary

Robin Lees

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BHP Billiton Limited
Company Nbr: ACN:004 028 077
Public Company listed on the
Australian Stock exchange

Board

Mr Jac Nasser, AO (Chairman)
Mr Marius Kloppers (CEO, Executive Director)
Mr Alan Boeckmann (Non Exec. Director)
Mr Malcolm Broomhead (Non Exec. Director)
Dr John Buchanan (Non Exec. Director)
Mr Carlos Cordeiro (Non Exec. Director)
Mr David Crawford (Non Exec. Director)
Ms Carolyn Hewson (Non Exec. Director)
Mr Wayne Murdy (Non Exec. Director)
Mr Keith Rumble (Non Exec. Director)
Dr John Schubert (Non Exec. Director)

Senior Executives

Mr Alex Vanselow (CFO)
Mr Alberto Calderon
Mr Andrew Mackenzie
Mr Marcus Randolph
Ms Karen Wood
Mr Mike Yeager
Ms Leng Lau
Mr Andre Liebenberg
Ms Jane McAloon (Company Secretary)
Ms Fiona Smith (Assistant Company Secretary)

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Initial Exploration Area

Toto Range

Granted Exploration Area for Toto Range which comprises approximately 143 sq km of ground in area defined by the UTM coordinates of SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N), set forth below:

Vertices	Easting	Northing
1	456000	788000
2	458000	788000
3	462000	791000
4	465000	791000
5	465000	792000
6	466000	792000
7	466000	794000
8	469000	794000
9	469000	796000
10	471000	796000
11	471000	798000
12	473000	798000
13	473000	801000
14	476000	801000
15	476000	802000
16	479000	803000
17	479000	803000
18	482995	803012
19	483000	803250
20	484000	803250
21	484000	803500
22	486500	803500
23	486500	802725
24	486000	802000
25	486000	800000
26	483000	800000
27	483000	799000

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28	482000	799000
29	482000	798000
30	479000	798000
31	479000	797000
32	477000	797000
33	477000	796000
34	476000	796000
35	476000	795000
36	474000	795000
37	474000	794000
38	473000	794000
39	473000	793000
40	472000	793000
41	472000	791000
42	469000	791000
43	469000	790000
44	467000	790000
45	467000	789000
46	466000	789000
47	466000	786000
48	459000	786000
49	459000	785000
50	456000	785000

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Kitoma

Granted Exploration Area for Kitoma which comprises approximately 113 sq km of ground in area defined by the UTM coordinates of SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N), set forth below:

Vertices	X	Y
1	530000	804800
2	517800	804800
3	518140	805200
4	517750	808070
5	516850	810660
6	518140	813000
7	519900	815350
8	527400	815500
9	527400	809600
10	530000	809600
11	530000	804800

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Goe Fantro

Granted Exploration Area for Goe Fantro which comprises approximately 219 sq km of ground in area defined by the UTM coordinates of SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N), set forth below:

Vertices	X	Y
0	376000	680000
1	371000	680000
2	371000	681000
3	370000	681000
4	370000	682000
5	369000	682000
6	369000	683000
7	366000	683000
8	366000	682000
9	361000	682000
10	361000	683000
11	359000	683000
12	359000	689000
13	356000	689000
14	356000	693000
15	355000	693000
16	355000	695000
17	353000	695000
18	353000	696000
19	351000	696000
20	351000	700000
21	350000	700000
22	350000	701000
23	349000	701000
24	349000	702000
25	347000	702000
26	347000	703000
27	346000	703000
28	346000	704000
29	345000	704000
30	345000	708000
31	350000	708000
32	350000	707000
33	351000	707000
34	351000	703000
35	353000	703000
36	353000	701000

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37	354000	701000
38	354000	699000
39	355000	699000
40	355000	698000
41	357000	698000
42	357000	697000
43	358000	697000
44	358000	696000
45	359000	696000
46	359000	695000
47	360000	695000
48	360000	694000
49	361000	694000
50	361000	693000
51	362000	693000
52	362000	689000
53	365000	689000
54	365000	686000
55	371000	686000
56	371000	685000
57	373000	685000
58	373000	684000
59	376000	684000
60	376000	685000
61	378000	685000
62	378000	686000
63	383000	686000
64	383000	681000
65	380000	681000
66	380000	682000
67	379000	682000
68	379000	681000
69	376000	681000
70	376000	680000

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St John River South (SJRS)

Granted Exploration Area for SJRS which comprises approximately 222 sq km of ground in area defined by the UTM coordinates of SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N), set forth below:

Vertices	Easting	Northing
1	484800	702400
2	484800	706000
3	488100	706000
4	488100	707360
5	490300	707360
6	490300	712300
7	492600	712300
8	492600	715000
9	494700	715000
10	494700	721000
11	497000	721000
12	497200	722300
13	504500	722300
14	504500	724300
15	509700	724300
16	509700	725900
17	518800	725900
18	518800	721000
19	510000	721000
20	510000	719000
21	504700	719000
22	504700	716250
23	498030	716250
24	498030	708000
25	493370	708000
26	493370	702400
27	484800	702400

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Additional Exploration Area

Kpo Range

Additional Exploration Area for Kpo Range to comprise approximately 532 sq km of ground in area defined by the UTM coordinates of SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N), set forth below:

Vertices	Easting	Northing
1	378000	811907
2	378000	807000
3	373000	807000
4	373000	804000
5	369000	804000
6	369000	800000
7	360000	800000
8	360000	799000
9	354000	799000
10	354000	804000
11	360000	804000
12	360000	808000
13	369000	808000
14	369000	820000
15	375560	820000
16	375560	823500
17	380000	823500
18	380000	826000
19	390000	826000
20	390000	829900
21	400000	829900
22	400000	833900
23	410000	833900
24	410000	829900
25	405000	829900
26	405000	825900
27	399900	825900
28	399900	820100
29	386400	820100
30	386395	811820

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St John River North

Additional Exploration Area for St John River North to comprise approximately 644 sq km of ground in area defined by the UTM coordinates of SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N), set forth below:

Vertices	Easting	Northing
1	438330	714950
2	438330	717060
3	439995	717060
4	439995	719080
5	442850	719080
6	442850	720440
7	447140	720440
8	447140	722700
9	452100	722700
10	452100	725820
11	455940	725820
12	455940	728000
13	458200	728000
14	458200	731950
15	472000	731950
16	472000	737000
17	492000	737000
18	492000	742100
19	500000	742100
20	500000	744000
21	502000	744000
22	502000	746100
23	505100	746100
24	505100	755020
25	516450	755020
26	516450	750175
27	514700	750175
28	514700	748285
29	513275	748285
30	513275	746485
31	512000	746485
32	512000	743965
33	510000	743965
34	510000	741900
35	506000	741900

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36	506000	738000
37	504000	738000
38	504000	735000
39	501000	735000
40	501000	730000
41	488050	730000
42	488050	728000
43	470000	728000
44	470000	721930
45	456000	721930
46	456000	719000
47	449150	719000
48	449150	717100
49	445010	717100
50	445010	714950
51	438330	714950

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Gbi

Additional Exploration Area for Gbi to comprise approximately 500 sq km of ground in area defined by the UTM coordinates of SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N), set forth below:

Vertices	X	Y
1	515000	697500
2	515000	707500
3	520000	707500
4	520000	712500
5	532500	712500
6	532500	705000
7	522500	705000
8	522500	700000
9	525000	700000
10	525000	697500
11	527500	697500
12	527500	695000
13	530000	695000
14	530000	687500
15	525000	687500
16	525000	692500
17	520000	692500
18	520000	695000
19	517500	695000
20	517500	697500
21	515000	697500

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Form of Exploration License

MINERAL EXPLORATION LICENSE

This License is hereby granted by the Government of Liberia, through the Ministry of Lands, Mines and Energy (the “Ministry”), to ¹

(the “Licensee”).

SECTION 1. SCOPE OF LICENCE

1.1. This License entitles the Licensee to explore for the minerals identified in Section 1.2 of this License in the exploration area defined in Section 3 of this License (the “Exploration Area”) in order to ascertain the existence, location, quantity and quality or commercial value of deposits in the Exploration Area of such minerals.

1.2. The minerals covered by this License are the following:²

SECTION 2. EFFECTIVE DATE

The effective date of this License is the date on which the mineral development agreement entered into between the Government of the Republic of Liberia and the Licensee dated June 4 2010 (the “MDA”) comes into effect in accordance with Section 2 of the MDA. *[To update as appropriate for subsequent exploration licenses]*

SECTION 3. EXPLORATION AREA

The Exploration Area, which covers approximately sq km,³ is the area defined by the UTM coordinates of *SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N)* set forth below:

[insert table]

SECTION 4. CONCERNING THE LICENSE

4.1. This License and the rights of the Licensee hereunder are subject to

(a) the terms of the MDA,

¹ Insert full legal name of Licensee

² Identify here the minerals or mineral groups covered by this License

³ Insert license area in square kilometres

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- (b) the exploration regulations issued by the Minister of Lands, Mines and Energy (the “Minister”) pursuant to the authority granted the Minister under the Liberia Minerals and Mining Law of 2000 (the “exploration regulations”) (subject to the terms of the MDA), and
- (c) the Liberia Minerals and Mining Law of 2000 (the “Mining Law”), the Liberia Revenue Code of 2000, the environmental laws and regulations of the Republic of Liberia and all other applicable laws and regulations of the Republic of Liberia, as such laws and regulations may from time to time be amended, modified or supplemented (subject to the terms of the MDA).
- 4.2 The Exploration Area granted by this License excludes areas within the Exploration Area excluded by Section 10 of the Minerals and Mining Law and areas subject to Class B mining licenses previously granted by the Republic of Liberia, and the Licensee shall not interfere with the activities of licensees under such licenses.
- 4.3. The Licensee will be required under the exploration regulations to make detailed quarterly reports of all field and sampling activities and results, and to make quarterly deposits with the Ministry of all geological information and samples gained from its exploration work in the Exploration Area, other than that position of the samples subjected to destructive analysis or testing, in each case within specified periods after the end of a quarter.
- 4.4. The term of this License is five years from the Effective Date, subject to any extension to such term pursuant to and in accordance with the terms of the MDA and subject to the earlier termination or relinquishment of this License pursuant to the terms of the MDA.
- 4.5. The address of the Licensee in Monrovia for notices relating to this License is as follows:
- The Licensee may change this address to another address in Monrovia by notice to the Minister at the principal office of the Ministry in Monrovia in the manner provided in the Exploration Regulations.
- 4.6 If the Licensee discovers in the Exploration Area exploitable deposits of the minerals referred to in Section 1.2 of this License, subject to and in accordance with the terms of the MDA and the Mining Law, the Licensee will have the right to obtain a Class A Mining License for the mining of such deposits in accordance with the MDA, the Mining Law and the applicable regulations of the Ministry governing the issuance of and operations under a Class A Mining license.

⁴ Insert address in Monrovia at which hand deliveries will be accepted during business hours

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SECTION 5. LICENSE BINDING ON GOVERNMENT.

This License is duly issued and binding on the Government of Liberia when signed by the Assistant Minister for Mineral Exploration and approved by the Minister.

Signed: _____
Assistant Minister for Mineral Exploration Ministry
of Lands, Mines and Energy

Approved: _____
Minister of Lands, Mines and Energy

DATE: _____

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Form of Mining License

CLASS A MINING LICENSE

This **CLASS A MINING LICENSE** (this "Mining License") is dated [], 2[...] and made by and between the **MINISTER OF LANDS, MINES & ENERGY OF THE REPUBLIC OF LIBERIA** (hereinafter referred to as the "MINISTER"), and **BHP BILLITON (LIBERIA) INC.**, a corporation organized under the laws of Liberia (hereinafter referred to as the "CONCESSIONAIRE").

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Mineral Development Agreement, dated June 4, 2010, among the Government of the Republic of Liberia and BHP Billiton (Liberia) Inc. (the "MDA") or, if not defined therein, in the Minerals and Mining Law 2000 Part I, Title 23 of the Liberian Code of Laws Revised (the "Minerals and Mining Law"), any regulations issued under the Minerals and Mining Law (except to the extent provided in the MDA) or the Exploration Regulations.

WITNESSETH:

WHEREAS, the Government and the CONCESSIONAIRE have concluded, and the CONCESSIONAIRE is materially in compliance with, the provisions of the MDA relating to the application for a Mining License;

WHEREAS, the CONCESSIONAIRE is an Eligible Applicant for a Mining License;

WHEREAS, the MINISTER has the power to grant the CONCESSIONAIRE a Mining License as contemplated in the MDA, and to permit the CONCESSIONAIRE to conduct the Operations as contemplated by the MDA;

NOW, THEREFORE, for and in consideration of the premises, the mutual promises made by and between the Government and the CONCESSIONAIRE (hereinafter referred to as "the Parties"), and the terms and conditions herein contained and in the MDA, it is hereby irrevocably provided as follows:

Grant of Mining License

1. The MINISTER hereby grants to the CONCESSIONAIRE a Mining License for the Proposed Production Area, together with all related rights and privileges to allow the CONCESSIONAIRE to conduct the Operations contemplated by the MDA. This grant is subject to the provisions of the MDA. To the extent that there is any conflict between the terms of this Mining License or any Regulations and the terms of the MDA, the MDA shall prevail.

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Term of License

2. The initial term of the Mining License shall commence on the date first above written and shall be for twenty-five (25) years unless earlier terminated pursuant to any Section of the MDA. The CONCESSIONAIRE shall have the right to renew the Mining License, for consecutive additional terms not to exceed twenty-five (25) years each subject to the provisions of the MDA.

Discovery of Other Minerals

3. Pursuant to Section 6.7(c) of the Minerals and Mining Law, should the CONCESSIONAIRE, in the course of Development or Mining discover that the Mine or Deposits contain another Mineral not the subject of the Mining License, the CONCESSIONAIRE shall have the right to Mine such additional Mineral. The Mineral in question shall not be mined until an application has been submitted to, and approved by, the MINISTER. A separate application shall be filed in respect of each Mineral which has been discovered and is to be Mined, for permission to have its Mining License amended to cover the new Mineral. The approval of the MINISTER shall not be unreasonably denied, provided that all conditions to such approval set forth in the MDA have been met. Notification of such approval or disapproval shall be given within 90 days of application therefor.

Additional Exploration within the Proposed Production Area

4. If the CONCESSIONAIRE wishes to carry out additional Exploration within the Proposed Production Area it may do so in accordance with the MDA.

Surface Rights

5. Without prejudice to the generality of the rights provided in the MDA, the grant of the Mining License shall, pursuant to the provisions of Section 6.7(d) of the Minerals and Mining Law, carry the following surface rights:
 - (i) Erection of habitations, office buildings, mill buildings, engine houses, storehouses;
 - (ii) Building of dumps, ditches for drainage, roads within the surface boundaries of the Proposed Production Area;
 - (iii) Making trenches and open cuts, constructed for and necessary Mining Operation;
 - (iv) Cutting of timber only insofar as it is necessary to clear for buildings and such works as are mentioned in (i) to (iii) above and to use in construction of the mining site; and
 - (v) Use of water and other resources necessary for the execution of the work.

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Rights to Dispose of Minerals

6. The CONCESSIONAIRE shall have the right to freely dispose of within Liberia all Minerals extracted under the terms of this Mining License, and may export all such Minerals in their original or changed form subject to the specific provisions of the MDA.

Reports by the CONCESSIONAIRE

7. The CONCESSIONAIRE shall submit to the MINISTER reports in accordance with the MDA.

Inspection of Mining Premises and Books

8. The MINISTER shall have the right in accordance with the terms of the MDA to order an inspection at any time of the Proposed Production Area and of the books and records of the CONCESSIONAIRE.

Made in Monrovia, this ____ day of _____, 20__.

MINISTER OF LANDS, MINES & ENERGY

Name:

ACKNOWLEDGED AND AGREED:

By: BHP BILLITON (LIBERIA) INC.

Name:
Title:

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ANNEX I to the MINING LICENSE

DEFINITION OF THE PROPOSED PRODUCTION AREA

The Proposed Production Area encloses approximately ... sq km.

The boundary of the Proposed Production Area is shown on drawing [_____].

The area is defined by the UTM coordinates of SPATIAL REFERENCE (*Insert reference*) set forth below:

Vertices	Northing	Easting
1		
2		
3		
4		
5		
6		
7		
8		

(See map on following page)

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OTHER APPROVED FISCAL PROVISIONS

This Exhibit shall be read in conjunction with the Revenue Code and together shall constitute the Agreed Revenue Code. The Agreed Revenue Code is subject to the Agreement. To the extent there is any inconsistency between the Agreed Revenue Code, the Revenue Code (or any similar Law) and the Agreement, the Agreement shall prevail.

DELETIONS

- 1 The turnover tax as a presumptive tax in lieu of the income tax is hereby deleted in its entirety.
- 2 Schedule III of the Customs Revenue Code (2000), which is superseded by new provisions in Chapter 17 and Chapter 18, is hereby deleted.
- 3 Schedule IV of the Customs Revenue Code (2000), which is superseded by new provisions in Chapter 17 and Chapter 18, is hereby deleted.

SECTION 4 - AMENDMENTS

The amended sections or subsections of this Exhibit as set out word for word as follows are to be inserted in place of the same-numbered sections or subsections of the Revenue Code as they existed immediately prior to the execution of the Agreement (but effective from the Effective Date). An ellipsis ("...") is used to indicate omitted text not affected by this Exhibit.

PART I. GENERAL PROVISIONS

CHAPTER I. GENERAL PROVISIONS

SECTION 6 - AMOUNT STATED IN DOLLARS

- (a) Accounts. Dollar amounts stated in the Agreed Revenue Code are in Liberian dollars, and taxation books of account may be kept in Liberian dollars or US dollars (but if kept in US dollars the Liberian dollar equivalent of taxable income and tax must be shown in the financial statement). Tax may be assessed either in Liberian dollars or US dollars and may be paid in Liberian dollars or US dollars. If payment is made in US dollars, the amount due in Liberian dollars is to be translated into US dollars at the market rate of exchange published by the Central Bank in effect on the day payment is made. The term "Liberian dollar" refers to money authorized and duly issued under the law establishing the Central Bank.
- (b) US Dollars. The Government of Liberia may, by regulation, require that

- (1) Certain user fees, license fees, and other fees which are designed to cover the cost of providing a service be stated in US dollars;
- (2) Customs duties be stated in US dollars and paid in US dollars.
- (c) Foreign Exchange transactions. Except as otherwise provided by the Agreed Revenue Code, when it is necessary to translate foreign currency into Liberian or US dollars, or US dollars into Liberian dollars, the exchange rate shall be the applicable buying rate published by the Central Bank.

SECTION 10 - DEFINITIONS

- (a) **Assessment.** The term "assessment" means an assessment as defined in Section 74. An assessment is the amount of a taxpayer's unpaid tax liability, and is immediately due and payable. The Minister is empowered (subject to the conditions specified in Section 64 and 65) to enforce an assessment on the assessment date.
- (b) **Board of Tax Appeals.** The term "Board of Tax Appeals" means a 7-member deliberative body convened to review a taxpayer protest of determinations by the Minister. The composition of the Board of Tax Appeals and its obligations under the Agreed Revenue Code are set out in Section 60. A decision of the Board of Tax Appeals is a final administrative determination for purposes of Section 6.2 of the Judiciary Law (1972) as amended.
- (c) **Corporation.** The term "corporation" means a joint stock company, an insurance company, a business trust, and any similar organization or association whether or not incorporated. The terms "shareholder" and "stockholder" mean any person having an ownership or equity interest in a corporation including a person holding a right, including a contingent right, to participate in the income or capital of a corporation.
- (d) **Day.** Unless otherwise provided, the term "day" means a calendar day, unless the term is used in a stated period of less than 7 days, in which case the term "day" means business or working day.
- (e) **Deputy Minister.** The term "Deputy Minister" means the Deputy Minister of Finance for Revenue and head of the Revenue Department.
- (f) **Determination.** The term "determination" means a decision of the Minister listed in Section 70(b). If the taxpayer submits a protest within 30 days, a determination is subject to review by the Board of Tax Appeals. If the taxpayer does not protest within the 30-day period, the determination is a final administrative determination for purposes of Section 6.2 of the Judiciary Law (1972) as amended.
- (g) (".....")
- (h) (".....")
- (i) (".....")

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- (j) **Government.** The term "government" means the Government of the Republic of Liberia, and "government agency" means a Ministry, board, council, or other organization created for administrative purposes and carrying out administrative functions of the government including the Central Bank, but not including a public corporation carrying out profit-making endeavors.
- (k) **Legal Person.** The term "legal person" means any person other than a natural person. The term has the same meaning as the term "person" in Title 16 of the Liberian Code and includes any legal person created by the operation of law such as a government agency, partnership, corporation, trust, estate, or similar legal person created under foreign law. A legal person created under foreign law is to be taxed under the rules applicable to the Liberian legal person to which it is most similar.
- (l) **Liberia.** The term "Liberia" means the political entity of the Republic of Liberia, and also means the geographical territory of the Republic of Liberia, its territorial waters, and areas adjacent to the territorial waters of Liberia over which Liberia may exercise rights, in accordance with international law, with respect to the seabed, soil, and natural resources.
- (m) **Mining Law.** The term "Mining Law" means An Act Adopting a New Minerals and Mining Law (2000) as it may be amended from time to time, or any successor
- (n) **Minister.** The term "Minister" means the Minister of Finance.
- (o) **Ministry.** The term "Ministry" means the Ministry of Finance, with the authority to collect taxes, audit, maintain records of taxpayer information, monitor and enforce taxpayer compliance with the Agreed Revenue Code, and to establish offices for the payment of tax and the filing of tax returns.
- (p) **Month.** Unless otherwise provided, the term "month" means a calendar month.
- (q) (".....")
- (r) (".....")
- (s) (".....").
- (t) **Person.** The term "person" means any legal person or any natural person.
- (u) **Regulations.** The term "regulations" means the rules promulgated by the Deputy Minister with the consultation and concurrence of the Minister for the purpose of interpreting the Agreed Revenue Code and to specify the procedures or standards for compliance with it.
- (v) **Rent.** The term "rent" means periodic payments received for the use of real or personal property under a lease agreement whether written or oral. The term "real property" includes buildings or structures fixed to the land and the term "personal property" includes structures that are not fixed.

- (w) **Tax.** The term "tax" means any tax, tariff, duty, impost, or license or registration fee imposed by the Agreed Revenue Code, including an advance payment under Section 904, and shall be subject to the assessment and collection rules of Subchapter B of this Part.
- (x) (".....")
- (y) **Taxpayer.** The term "taxpayer" means any person subject to a tax imposed by the Agreed Revenue Code, or subject to a related obligation to pay interest, penalties, or fees. In the case of a mining (".....") exploration, development, or production activity carried out by a person authorized under the Mining Law (".....") to conduct a mining (".....") project (the "producer")-
- (1) The producer is the taxpayer legally responsible for reporting, withholding, and paying tax on behalf of a mining (".....") project.
 - (2) If the producer is organized as a partnership or similar form of unincorporated joint venture, each partner shall be considered a taxpayer with respect to the activities of the project.
 - (3) A taxpayer is not permitted to consolidate mining (".....") projects for the purposes of determining liability for any tax under the Agreed Revenue Code.
- (z) **Tax Return.** The term "tax return" means any return, tax declaration, voucher, or Customs entry form required to be filed under the Agreed Revenue Code, including a statement required to be filed with an advance payment under Section 904.
- (aa) (".....")
- (bb) **Value.** The term "value" means the fair market value as determined in an arm's length transaction by parties acting without obligation or coercion. Transactions between related persons are assumed not to be at arm's length, and the Minister by regulation may subject them to disclosure and documentation requirements not applicable to transactions between unrelated persons. The Minister must follow OECD transfer pricing guidelines in evaluating the validity of the price set in a related-party transfer.

PART II INCOME TAX

SECTION 201 - TAXABLE INCOME

- (b) **Gross Income.** Gross income means the aggregate of economic benefits of whatever kind that the taxpayer derives during the tax year. Examples of items included in gross income are:

- (3) non-exempt interest, rents, royalties, and non-exempt dividends;

SECTION 212 - CURRENCY EXCHANGE RATE

- (a) **General Foreign Exchange Transaction.** Except as otherwise provided by the Agreed Revenue Code, when it is necessary to translate foreign currency into Liberian or U.S. dollars, Liberian dollars into U.S. dollars, or U.S. dollars into Liberian dollars, the exchange rate shall be the buying conversion rate published by the Central Bank of Liberia as of day in which the conversion occurs.

CHAPTER 7. INCOME TAXATION OF NATURAL RESOURCES

TABLE OF SECTIONS

Subchapter A. Mining

- Section 701. Scope Of Subchapter
- Section 702. Rate Of Tax
- Section 703. Valuation
- Section 704. Royalties And Surface Rent
- Section 705. Determination Of Taxable Income Of Mining Projects
- Section 706. Special Rule For Depreciation
- Section 707. Special Rule For Net Operating Loss Carryforward
- Section 708. Special Rule For Interest Deduction
- Section 709. Special Rule For Exploration Costs
- Section 710. Special Rule For Decommissioning Expenses
- Section 711. Treatment Of Property Transfers
- Section 712. Successor Agreement; Transfer Of Interest In Project
- Section 713. Transactions Between Related Persons
- Section 714. Partnerships And Joint Ventures
- Sections 715-729. Reserved
- Section 730. Surtax On Income From High-Yield Projects
- Section 731. Determination Of Expenditures For Section 730 Purposes
- Section 732. Determination Of Total Revenues
- Section 768. Cross-References

SECTION 700 - DEFINITIONS

- (a) **Producer.** A producer is a mining project producer (".....").
- (b) **Mining Project.**
- (1) A "mining project producer" is a person who has entered into a mineral development agreement with the Government of Liberia to carry out mineral exploration, development, or production activity under a mining exploration license or class A mining license issued in accordance with the Mining Law.

- (2) **Mining Exploration Contract Area.** A "mining exploration contract area" is the geographic area covered by a mining exploration license.
 - (3) **Mining License Contract Area.** A "mining license contract area" is the geographic area covered by a class A mining license.
 - (4) A "mining project" carries out mining and related activities within the mining license contract area.
 - (5) Mining carried out under another class of mining license is not a "mining project" and is taxable under the general rules of Chapter 2 rather than as a "mining project" under this Chapter, except that the royalty rates of Section 704 apply to the sale or other disposition of minerals mined under a license other than a class A license.
- (c) (".....")
- (d) **Capital Goods.** For purposes of this Chapter, the term "capital goods" has the same meaning as in Section 1001(g)(5).
- (e) **Commercial Production.**
- (1) A mining (".....") project begins "commercial production" on the date of the first shipment of mineral (".....") extracted from a mining license area (.....") as part of a regular program of profit-seeking activity.
 - (2) Commercial production ends on the last day of a tax period in which the number of shipments is less than one-tenth of the average shipments during the first three years of commercial production.
- (f) **Mining Exploration Expenditures.** Mining exploration expenditures are costs associated with exploration of a mining exploration contract area to determine whether it is possible to develop the area for production of minerals.
- (g) **Mining Development Expenditures.** Mining development expenditures are costs associated with the development of a mining license contract area, or a part thereof, to prepare it for commercial production.
- (h) **Attribution of Expenditures.** Exploration, development, and capital goods expenditures incurred prior to a project's first tax period are attributable to it for income tax purposes as follows-
- (1) In the case of a mining project, expenditures incurred prior to the existence of any mining project within a mining exploration contract area are attributable to the first project established within the first mining license contract area within a mining exploration contract area. Subsequent expenditures in the exploration contract area after the date of the first class A mining license, but outside the first project's license contract area, are attributed to subsequent projects under subsequent class A mining licenses issued for the exploration contract area. Exploration, development, and

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capital goods expenditures not attributable to a project as described in this paragraph are not deductible in determining taxable income.

SUBCHAPTER A. MINING

SECTION 701 - SCOPE OF SUBCHAPTER

- (a) **Income Taxation.** In accordance with the provisions of Part II (to the extent applicable) and as specifically provided in this Chapter, income tax is imposed on taxable income from a mining project (as defined in Section 700). In case of inconsistency with other provisions of Part II, the provisions of this subchapter are determinative.
- (b) **Rate of Tax.** Taxable income from a mining project is subject to income tax at the rate stated in Section 702 and, to the extent the surtax on income applies under Section 730, at the rate determined under that section.
- (c) **Form of Organization Disregarded.** Regardless of the legal form of organization adopted by one or more persons having an interest in a mining project, a producer's taxable income shall be determined separately for each project, and a person with an interest in more than one project shall not be permitted to consolidate income or loss of one project with that of any other.
 - (1) For purposes of determining income tax, income from a mining project is considered to be income of a resident legal person or of a Section 801 (b) permanent establishment taxable according to the rules applicable to a resident legal person. Taxable income and income tax liability are determined under provisions of the regular income tax of Chapter 2 subject to special rules provided in this Chapter.
 - (2) In accordance with Section 10(y), a producer who holds a Class A mining license ("license") granted under the Mining Law and accompanied by a Mineral Development Agreement ("MDA") is considered to have an interest in the mining project that is the subject of the license and is the taxpayer legally responsible for paying tax with respect to income of the project.
 - (3) The Chapter 9 filing and advance payment rules for the regular income tax apply to a producer with income from a mining project.
- (d) **Mining Law.** The Mining Law governs non-tax terms of extraction of minerals in Liberia, including licenses and fees.
- (e) **Valuation of Minerals.** Extracted minerals shall be valued for all purposes of the Agreed Revenue Code using the valuation method described in Section 703.
- (f) **US Dollar Accounting Permitted.** Books and records of a project may be kept in US Dollars and a project's tax and taxable income shall be determined in US Dollars.

SECTION 702 - RATE OF TAX

- (a) **Rate.** The rate of tax on taxable income from a mining shall be 30 percent.
- (b) **Surtax on Income from High-Yield Projects.** Income from a high-yield mining project, as defined in Section 730, shall be subject to a higher marginal rate of income tax on taxable income under the conditions and using the calculation method set out in that section.

SECTION 703 - VALUATION

- (a) **Fair Market Value.** Minerals extracted by a project are valued for all purposes at fair market value as determined in an arm's length transaction f.o.b. Liberia without reduction for claims, counterclaims, discounts, commissions, or any other asserted offset or deduction.
- (b) **Gold.** The fair market value of gold f.o.b. Liberia is the London afternoon gold price fixing ("London PM fix") for the day that gold is shipped from Liberia.
- (c) **Advance Pricing Agreement.** The Government of Liberia may agree, by a clause in an MDA or by a separate contract, to an index and methodology for determining the deemed value of a product. Any reference price must be public.

SECTION 704 - ROYALTIES AND SURFACE RENT

- (a) **Royalties.** A royalty is due and payable to the Government of Liberia at the time of each shipment and in the amount of the stated percent of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition:
 - (1) *Iron ore.* 4.5 percent.
 - (2) *Gold and other base metals.* 3 percent.
 - (3) *Commercial diamonds.* 5 percent.
- (b) **Surface Rent.** A producer who has entered into an MDA shall pay an annual surface rent.
 - (1) The surface rent is:
 - (A) **Land within a mining exploration contract area.** US\$0.20 (Twenty United States Cents) per acre.
 - (B) **Land within a mining license contract area.**
 - (i) Contract Year 1-10 US\$5.00 per acre.
 - (ii) Contract Year 11-25 US\$10.00 per acre.
 - (2) Annual payments are due on or before the effective date of the agreement and on the agreement anniversary date thereafter.

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- (3) Surface rent amounts stated in this section shall be subject to inflationary adjustment in accordance with the GDP Implicit Price Deflator as published and revised from time to time by the Central Bank of Liberia ("the deflator"). The inflation-adjusted rent shall be effective January 1 of each calendar year based on the ratio of the value of the revised deflator for the second quarter of the immediately preceding calendar year to the value of the revised deflator for the second quarter of 2008.

SECTION 705 - DETERMINATION OF TAXABLE INCOME OF MINING PROJECTS

(a) **Gross Income.** The gross income of a mining project includes-

- (1) All revenues resulting from production and other operations carried out under the project's mining license;
- (2) Any other income that the project receives from business activity or investment accruing in, derived from, brought into or received in Liberia, including currency gains when realized (but not gains from hedging transactions), less the deductions set forth in subsection (b).

(b) **Deductions Allowed from Gross Income.** In accordance with the rules of Chapter 2, all expenditures incurred during the tax period wholly, exclusively and necessarily in connection with project operations (including non-capital operating costs but excluding capital costs except to the extent of the annual allowance for depreciation), are allowed as deductions, including but not limited to the following items:

- (1) Royalties and surface rent (as specified in Section 704); and fees and rent paid for the privilege of a Class A mining license in accordance with the Mining Law.
- (2) An allowance for depreciation of mining plant and equipment in accordance with the depreciation rules of Chapter 2, subject to the special rule of Section 706.
- (3) A carry forward of net operating loss from a prior year to the extent permitted under Section 203(e) as modified by Section 707.
- (4) Interest on any indebtedness of the project, and other financing costs incurred in connection with operations and paid to an affiliate or to a third party, for the tax period incurred, subject to the special rule of Section 708.
- (5) Exploration expenditures as specified in Section 709.
- (6) Payments to a Government-approved trust fund for mining reclamation, subject to the specific limitations set out in Section 710.
- (7) Any taxation amount determined under Section 730 and paid during the tax period.
- (8) Subject to the provisions of Chapter 2, management fees paid, whether to an affiliate or to a third party, but not the amount in excess of 2 percent of other operating expenses incurred for the tax period.

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- (9) Subject to the provisions of Section 203(c), the amount of bad debt incurred, so long as that amount was subject to income taxation in a prior tax period.
 - (10) Charitable contributions made in Liberia to a qualifying organization within the meaning of section 205 for educational or community development projects, social welfare, or medical purposes or for the provision of other social services.
 - (11) Expenses related directly to the project's "other income" under subsection (a)(2), to the extent otherwise allowable as a deduction under Chapter 2 and this Chapter.
- (c) ***Deductions Not Allowed.*** The following expenses are not allowed as a deduction from gross income:
- (1) A payment to an expatriate employee as reimbursement for taxes and duties paid by the employee to the Government.
 - (2) A loss from a hedging transaction.
 - (3) (".....").
 - (4) (".....").

SECTION 706 - SPECIAL RULE FOR DEPRECIATION

- (a) ***Commencement of Period.*** For property placed in service before the start of commercial production, the period for depreciation of property described in Section 204(b) shall begin in the first tax period in which commercial production begins.
- (b) ***Tangible Moveable Property.*** The cost of tangible moveable property shall be recovered over the period and by the method described in Section 204(b)(1).
- (c) ***Five-Year Cost Recovery Period.*** In place of the 15-year period set out in Section 204(b) for recovering the cost of tangible fixed property and intangible property, a mining project shall be entitled to recover the cost of this property on an asset-by-asset basis using the straight-line method over a five-year period at the rate of 20 percent per year.
- (d) ***15-Year Cost Recovery Period.*** A project's tangible fixed property outside the project's production area (or beginning inside and extending outside) shall be depreciated on an asset-by-asset basis over a 15-year period or the expected period of commercial production (whichever is shorter) using the straight-line method.
- (e) If a project is terminated before the end of the cost recovery period, the remaining unrecovered cost is treated as an expense deduction in determining taxable income for the tax period in which the project is terminated.

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SECTION 707 - SPECIAL RULE FOR NET OPERATING LOSS CARRYFORWARD

For the purposes of determining taxable income of a mining project, the Section 203(e) period for carryforward of net operating loss shall begin with the first tax period in which commercial production begins and shall be seven years.

SECTION 708 - SPECIAL RULE FOR INTEREST DEDUCTION

- (a) Interest incurred in a tax period and subject to the limitation of Section 203(d) may be carried forward to the next tax period.
- (b) The amount of the carryforward is treated as interest incurred in the subsequent period, and is deductible to the extent permitted under Section 203(d).
- (c) The interest carryforward allowed by this section does not expire.

SECTION 709 - SPECIAL RULE FOR EXPLORATION COSTS

Exploration costs attributable to a project under the rules of Section 700 are deductible in the first tax period in which commercial production begins.

SECTION 710 - SPECIAL RULE FOR DECOMMISSIONING EXPENSES

- (a) **Qualification.** A mining project's payment for decommissioning expenses is deductible from gross income under Section 705(b) only in the amount paid during the tax period-
 - (1) To defray reclamation or decommissioning expenses upon cessation of commercial production, and remedying damage caused to land used by the project or environmental damage the project may have caused (including damage that extends beyond the contract area), but not if drawn from a trust fund described in paragraph (2).
 - (2) To a trust fund established to defray future expenses of the type specified in paragraph (1), but only if the fund has been approved by the Minister in regulations and subject to any limitations or requirements provided in regulations.
- (b) **Recapture.** An amount taken as a deduction under subsection (a) but not used for the specified purpose-
 - (1) If remaining after the tax period in which commercial production ends, shall be included in income for the following tax period; or
 - (2) If used for another purpose, shall be included in income in the tax period within which the amount is so used.

SECTION 711 - TREATMENT OF PROPERTY TRANSFERS

- (a) **General Rule.** Unless an exception applies under this Chapter, a project's gain or loss on the transfer of depreciable property used by the project is treated in accordance with

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section 204. Transfer of non-depreciable property used in the business, or transfer of property other than property connected with mining ("....."), is determined in accordance with the property transfer rules of Section 207.

(b) ***Special Cases.***

- (1) ***Hedging.*** Hedging transactions by a mining project are taxable as a separate business activity, and hedging gains and losses incurred are not includible or deductible in determining taxable income of the project or for the purposes of Section 730.
- (2) ***Investment Gain.*** Gain on property the project holds for investment is determined under Section 207 and is includible in income of a project, except to the extent reduced by investment loss under the rule of Section 203(b)(2).

SECTION 712 - SUCCESSOR AGREEMENT; TRANSFER OF INTEREST IN PROJECT

- (a) ***Successor Agreement.*** If the development agreement for a project (the "original agreement") is terminated and a new agreement (the "successor agreement") is entered into with the same producer for the same contract area (the "successor project"), the project's loss carryforward existing at the termination date of the development agreement is deductible in the first tax period of the successor project under the successor agreement, provided:
 - (1) The whole of the geographic area covered by the contract area of the successor agreement is within the contract area of the original agreement; and
 - (2) The successor agreement entered into force within one month following the termination of the original agreement.
- (b) ***Transfer of Interest.*** If the holder of an interest in a project transfers that interest-
 - (1) The taxable income of the project shall continue to be determined using the tax cost and other tax attributes applicable at the date of the interest transfer; and
 - (2) The transferer of the interest shall determine gain or loss under Section 207, which also applies to determine the transferee's tax cost in the interest.

SECTION 713 - TRANSACTIONS BETWEEN RELATED PERSONS

- (a) ***General Rule.*** A project's gain, loss, and other tax consequences in transactions with related persons are subject to in Section 10(bb) (in Part I, General Provisions) and Section 208, Related Persons (in this Part).
- (b) ***Transfer Pricing.*** A transaction with respect to production between a producer and a related person shall be on the basis of competitive international prices and such other terms

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and conditions as would be fair and reasonable had the transaction taken place between unrelated parties dealing at arms' length.

- (c) **Advance Pricing Agreement.** The Government of Liberia may enter into an advance pricing agreement with a producer, and a related person to establish the method by which prices will be determined in related-party transactions.
- (d) **Disclosure.** A producer must-
 - (1) Disclose related-party transactions and contemporaneously document the manner in which prices are set in transfers to related persons.
 - (2) Notarize an agreement governing a related-party transaction in accordance with the law of the related person's country of residence.
- (e) **Guidelines.** The Minister shall follow OECD transfer pricing guidelines in evaluating the validity of the price set in a related party transfer.

SECTION 714 - PARTNERSHIPS AND JOINT VENTURES

- (a) **Pass-Through of Tax Attributes.** If a producer is organized as a partnership or similar form of unincorporated joint venture, the project's income, expenses, loss, credits, and character of income or loss shall be attributed to the partners in accordance with their interests (including the items specified in Section 705), for the purpose of determining taxable income, loss, credits, and tax liability separately for each partner.
- (b) **Application of Other Rules.** If subsection (a) applies-
 - (1) The provisions of this Chapter shall apply separately to each partner;
 - (2) Each partner shall be considered a taxpayer for purposes of this Part (Part II, Income Tax) and a producer for purposes of this Chapter, and shall be liable for income tax as determined under this Chapter.

SECTIONS 715-729 - RESERVED

SECTION 730 - SURTAX ON INCOME FROM HIGH-YIELD PROJECTS

- (a) **Purpose.** This section applies to determine whether a project licensed under the Mining Law is sufficiently high-yield to be subject to surtax and, if so, the amount of tax.
- (b) **Definition of High-Yield.** A project is considered high-yield and thus subject to surtax when the project's pre-tax rate of return on total investment is greater than 22.5 percent, the threshold rate of return for application of this Section.
- (c) **Method to Calculate Yield.** A project's accumulated negative net cash flow shall be determined by applying an annual accumulation factor of 1.225 to negative net cash flow carried forward from a prior tax period. At the close of each tax period, accumulated

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negative net cash flow carried forward from the prior period shall be increased by current negative net cash flow or offset by current positive net cash flow. A project is not high-yield and subject to surtax unless its accumulated net cash flow at the close of a period is positive.

- (d) **Surtax Rate.** Positive net accumulated cash flow at the close of a tax period is taxable at a rate of 20 percent, and the amount of this liability is deductible from gross income for the tax period.
- (e) **Re-Set Accumulation to Zero.** Following a tax period for which tax is due under this section, a project's accumulated negative cash flow is re-set to zero and the method of subsection (d) is re-applied using zero as the starting point for the succeeding tax period.
- (f) **Steps to Calculate Yield.** Beginning with the first tax period in which a project has a class A mining license and has begun construction, the following steps are used to calculate yield in accordance with subsection (d).
 - (1) **Cost.** State the expenditures, as specified in Section 731, for the tax period. This is the project's cost through the close of the period. Go to Step 2.
 - (2) **Revenues.** State the project's revenues, as specified in Section 732, for the tax period, including revenues, if any, from the exploration period as defined in Section 700. This amount is the project's *revenues* through the close of the period. Go to Step 3.
 - (3) **Test Net Cash Flow.**
 - (A) **Determine net cash flow.** Subtract from *revenues* the amount of *cost* to arrive at net cash flow ($R - C = NCF$).
 - (B) **Net cash flow zero or negative.** If net cash flow is zero or negative, the project is not yet a high-yield project and the surtax does not apply. Multiply the negative net cash flow by 1.225 to arrive at the project's *accumulated negative net cash flow* to be carried to the next tax period. Go to Step 4.
 - (C) **Net is positive.** If net cash flow is positive, tax is determined under subsection (e), and this amount is deductible in determining taxable income under Section 703. Accumulated negative net cash flow is re-set to zero in accordance with subsection (f). Go to Step 4.
 - (4) **Reprise.** Re-apply steps (1) through (3) for each succeeding tax period, beginning with the period after the one tested under Step 3-
 - (A) Add costs incurred in the succeeding period to any accumulated negative net cash flow carried from the prior period (zero if re-set) as under Step 1. Go to (B).
 - (B) State revenues for the succeeding period as under Step 2. Go to (C).

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(C) Test net cash flow as under Step 3.

SECTION 731 - DETERMINATION OF EXPENDITURES FOR SECTION 730 PURPOSES

- (a) ***Expenditures Counted.*** For the purposes of determining cost under Section 730(g)(1), a project's *expenditures* for a tax period is the sum of the following amounts incurred during the period, and does not include the amount of any income tax paid:
- (1) Expenses deductible in computing taxable income, but not the allowance for depreciation or interest and finance charges;
 - (2) Capital expenditures to acquire or construct a tangible or intangible asset for use in mining operations; and
 - (3) Exploration, development, and capital goods expenditures as defined in Section 700. For a project's first tax period, include expenditures for prior exploration, development, and capital goods attributable to the project under Section 700.
- (b) ***Transfer of Interest.*** Consideration paid for transfer of an interest in the project is disregarded in determining the project's total expenditures.
- (c) ***Only Production Expenditures.*** If an amount referred to in subsection (a) is attributable to commercial production and some other non-production activity of the project, only the amount attributable to commercial production is included in determining the project's total expenditures.

SECTION 732 - DETERMINATION OF TOTAL REVENUES

- (a) ***Revenues Counted.*** For purposes of Section 730, a project's total revenues for a tax period is the sum of the following amounts:
- (1) The project's gross income for income tax purposes for the tax period, including amounts from hiring or leasing-out property or the granting of rights to use property (but not including interest income);
 - (2) The project's consideration received for the tax period for the disposal, destruction, or loss of any property (including materials, equipment, plant, facilities, and intellectual property or rights) used in mining operations if the expenditure incurred in acquiring the property was deducted in computing the project's net cash flow for any tax period;
 - (3) Any amount received for the tax period for provision of information or data obtained from any survey, appraisal, or study relating to mining operations, if the expenditure incurred in undertaking the survey, appraisal, or study was previously deducted in computing the project's net cash flow for any tax period;

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- (4) Any other amount received for the tax period that is a reimbursement, refund, or other recoupment of an amount previously deducted in computing the net cash flow of the project for any tax period; and
 - (5) If property used in mining operations has been destroyed or lost, any compensation, indemnity, or damages the project received in respect of the property under an insurance policy, indemnity agreement, settlement, condemnation action, or judicial decision.
- (b) **Transfer of Interest.** Consideration received for transfer of an interest in the project is not included in a project's total revenues.
- (c) **Only Production Revenues.** If an amount referred to in subsection (a) is attributable to commercial production and some other non-production activity of the project, only the amount attributable to commercial production is included in determining the project's total revenues.

SECTION 768 - CROSS-REFERENCES

- (a) Part I, Section 10(y), General Definitions, "taxpayer."
- (b) Part I, Section 10(bb), General Definitions, "value."
- (c) (".....")
- (d) (".....")
- (e) Part II, Section 200, Tax Imposed.
- (f) Part II, Section 806, Tax Withholding On Payments To Nonresidents.
- (g) Part II, Section 904(a)(3), Advance Payments Of Income Tax.
- (h) Part II, Section 905(g), Withholding Of Tax On Payments To Residents.
- (i) Part III, Goods & Services Tax, Section 1001(g), Taxable Supply.
- (j) (".....")
- (k) Part V, Section 1708, Exemption From Import Duties.
- (l) Part V, Section 1802, Customs Service Fees.
- (m) Part XX, Real Property Tax, Section 2009(h), Exemptions.

CHAPTER 8. INCOME TAXATION OF NONRESIDENTS

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SECTION 806 - TAX WITHHOLDING ON PAYMENTS TO NONRESIDENTS

- (a) **Interest, Royalties, License Fees, And Board Fees.** A resident payer of non-exempt interest, royalties, license fees, and board fees who makes a payment to a nonresident person, is required to withhold tax at a rate of 15 percent of the amount of each payment made to such nonresident person, except that a natural person is required to withhold under this subsection only on a payment made to a nonresident person in the course of business.
- (b) (".....")
- (c) **Payers of Rent.** A resident legal person who pays rents that total \$500,000.00, or more per year, a resident natural person who in the course of business pays rents that total \$500,000.00, or more per year, and a resident natural or legal person who pays rents that total \$5,000,000.00, or more per year (whether the rents are for business premises or personal-use premises, or both), is required to withhold tax at a rate of 15 percent of the amount of each payment made to such nonresident person.
- (d) **Other Payments.** Except as otherwise provided in this Section, if a resident legal person makes a payment to a nonresident person, or a resident natural person makes a payment in the course of business to a nonresident person, (i) the payment is of a sort that would be includible in gross income under Section 201 if the recipient were a resident person, and (ii) (A) the payment is \$20,000 or more, or (B) the total amount of payments made to such nonresident person is (or at the time of payment is expected to be) \$200,000 or more for the payer's tax year, then the payor is required to withhold tax at the rate of 15 percent of the amount of each payment made to such nonresident person.
- (e) **Withholding Requirements, Remittance, And Statements.** A resident payer of Liberia source income that is required to withhold a withholding tax under this Section is a withholding agent for purposes of the Agreed Revenue Code. The withholding tax required on a payment made to a nonresident person under this Section is required to be withheld from each payment made to such nonresident person. All amounts withheld during a month are required to be remitted to the tax authorities within 15 days after the last day of such month. Each remittance of withholding tax shall include a statement setting forth the name and address of each nonresident person to whom a payment was made, the type of payment made to each nonresident person, and the amount of withholding tax withheld on behalf of each nonresident person. Remittance of withholding tax is to be made to the Ministry office designated in Section 50 for the payer who submits the remittance and the accompanying withholding statement.
- (f) **Special Rule For Payments By Mining (".....") Projects.** A mining (".....") subject to Chapter 7 shall withhold tax on payments made to nonresidents at the following rates
- (1) Interest, 5 percent;
 - (2) Payments for services, 10 percent; and
 - (3) Dividends, 5 percent

SECTION 901 - FILING REQUIREMENTS FOR RESIDENT LEGAL PERSONS

- (a) (".....")
- (b) (".....")
- (c) **Corporations.** A corporation that has taxable income for a tax period, as computed under Section 201, is required to file an income tax return for such tax period.
- (d) **Voluntary Filing Of Tax Return.** If a legal person desires to carry forward a net operating loss, or any other loss or credit allowed under the Agreed Revenue Code, such legal person must file a tax return for the tax period in which such loss was generated or credit originated, even if such legal person is not otherwise required to file a tax return for such tax period.

SECTION 904 - ADVANCE PAYMENTS OF INCOME TAX

- (a) **Advance Payment Requirement.** All persons who are required to file an income tax return for a tax period are required to make quarterly advance payments of the income tax liability for such tax period.
 - (1) Each advance payment made for the current tax period is creditable against the income tax liability for such tax period.
 - (2) Income tax withheld on the payee's behalf on a payment or payments made by a person who has a tax withholding obligation under Section 905 is creditable against the payee's advance payments, provided that the payee supplies the payer with a Tax Identification Number, as defined in Section 53, at the time of or before the payment subject to withholding.
 - (3) In determining the total amount of advance payments required for a tax year, the following rules apply:
 - (A) If a person was required to file an income tax return for the preceding tax period, that person's advance payments (plus any tax withholdings) must be at least-
 - (i) 100 percent of the person's income tax liability for the preceding tax period, or
 - (ii) 90 percent of the person's income tax liability for the current tax period.
 - (B) If a person was not required to file an income tax return for the preceding tax period, that person's advance payments (plus any tax withholdings) must be at least 90 percent of the person's income tax liability for the current tax period.
 - (4) If the sum of the advance payments made for a tax period, and the withholding tax withheld on behalf of a person during a tax period, exceeds the income tax liability

shown or required to be shown on an income tax return filed by such person for such tax period, such excess shall be subject to the refund provisions under Section 72 and interest on overpayments under Section 14(b).

- (5) In this Section the term "tax liability" refers to income the tax liability for a tax period taking into account all Section 74(a) assessments with respect to the tax period and not only the tax liability derived from the taxpayer's self-assessment.
- (b) **Quarterly Payments.** Advance payments are to be made quarterly. Except as otherwise permitted by subsection (a), each payment is to be in an amount equal to at least 25 percent of the total advance payment due for the year pursuant to subsection (a)(3).
- (c) **Timely Payment.** An advance payment is timely made if payment is made at the designated hour and place for payment in accordance with Section 50 and if payment is made by the 15th day following the end of each quarter of the taxpayer's tax year. For a calendar-year taxpayer, the payments are due on April 15, July 15, October 15, and January 15. Failure to make timely payment is subject to the rules of Section 13 and Section 51.
- (d) **Statement.** Each advance payment shall be made with an approved standard form. The Minister shall make available an approved standard form for the payment of advance payments. The approved standard form for the payment of advance payments is a tax return within the definition under Section 10(z).
- (e) **Penalties for payment and filing failures.** Any person who has an advance payment obligation and who fails to pay the amount of tax required to be paid by advance payment is subject to the payment of interest required by Section 11 and to the Section 52 penalties for late payment and failure to pay. Failure to submit a required statement or payment voucher by the advance payment due date is subject to the Section 51 penalties for late filing and failure to file. References in Section 51 to the filing due date and in Section 52 to the payment due date are to be understood for this purpose as referring to the advance payment due date under this Section.
- (f) **Penalties for willful underestimation.** Taxpayers who estimate their future tax liabilities pursuant to subsection (a)(3) and willfully underestimate their future tax liabilities shall be subject to the criminal penalties provided under Chapter 19.

SECTION 905 - WITHHOLDING OF TAX ON PAYMENTS TO RESIDENTS

- (a) **Withholding Agents.** For the purposes of subsections (d), (e), and (f), the following persons are withholding agents: a resident legal person; a government agency; a nongovernmental organization operating in Liberia; or a diplomatic mission unless expressly exempted by treaty.
- (b) **Payers Of Wages Or Salary To Employees.** A resident person who makes payments during a tax year in excess of the standard deduction under Section 205(a) to a resident natural person pursuant to a contract of employment is required to withhold income tax

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from each payment on behalf of the payee in accordance with the income tax rates set forth in the schedule established in Section 200.

(c) (".....")

(d) **Interest, Royalties, License Fees, and Board Fees.** Resident payers of non-exempt interest, royalties, license fees, and board fees who make payments to residents are required to withhold tax on the payments at the rate of 10 percent of the amount of each payment made to such residents.

(e) **Payments Of Rent.** A withholding agent who pays rents that total \$500,000.00, or more per year, a resident natural person who in the course of business pays rents that total \$500,000.00, or more per year, and a withholding agent or a resident natural person who pays rents that total \$5,000,000.00, or more per year (whether the rents are for business premises or personal-use premises, or both), is required to withhold tax at a rate of 10 percent of the amount of each payment made to such resident person.

(f) **Payments For Services To Resident Natural Persons.**

(1) Except as otherwise provided in this Section, if a withholding agent makes a payment to a resident natural person for services rendered, (i) the payment is of a sort that is includible in gross income under Section 201, and (ii) (A) the payment is \$300,000 or more, or (B) the total amount of payments made to such resident natural person is (or at the time of payment is expected to be) \$1,000,000 or more for the payer's tax year, then the withholding agent is required to withhold tax at the rate of 10 percent of the amount of each payment made to such resident natural person.

(2) Government agencies are required to withhold payments for services rendered by a resident natural person at a rate of 4%. The Minister may by regulation define the withholding rate and calculation method of this subsection for a taxpayer with income from a business subject to government price controls, but is not permitted to reduce the withholding rate below the rate specified in this subsection.

(g) **Payments For Goods To Certain Providers.** A withholding agent who makes payments for goods to categories of providers who the Minister determines in regulation present a high risk of tax avoidance must withhold income tax at a rate determined by the Minister not to exceed 20 percent.

(h) **Special Rule for Payments by a Mining (".....").** A person making payments in furtherance of a mining (".....") project described in Chapter 7 shall be considered a resident payer and a withholding agent, and payments that person makes to residents are subject to withholding at the following rates-

(1) As specified in subsections (a) through (d); and

(2) In the case of a payment for services under subsection (f), at the rate of six percent.

- (i) **Procedure.** A person specified in subsection (a) or otherwise required to withhold tax under this Section is a withholding agent.. Withheld amounts are to be deducted from every payment made to a payee and to be paid over to the Government on a monthly basis, with payments due within 15 days after the last day of each month. Any payment of withheld tax shall include a statement setting out the name, address, taxpayer identification number of the persons with respect to whom tax was withheld, the amount of tax withheld for each, and any other information required by the approved standard form. Payment is to be made to the Ministry office designated in Section 50 for the payer who submits the payment and the accompanying withholding statement.
- (j) **Treatment Of Withholding.** A person who has income tax withheld on their behalf during a tax period, may claim a credit on such person's income tax return for the amount of income tax withheld against such person's income tax liability for such tax period. If a person who has income tax withheld on their behalf during a tax period is not required to file an income tax return for such tax period, such person may file an income tax return or a refund claim and claim a refund of the withheld amount, subject to the refund provisions under Section 72 and interest on overpayments under Section 14(b).
- (k) **Penalties.** A person who has a withholding obligation and who fails to withhold and pay over the amount of tax required to be withheld and paid is subject to the Section 52 penalties for late payment and failure to pay, and the Minister is empowered to enforce payment under the collection procedures of the Agreed Revenue Code. For the purpose of applying the Section 52 penalties to failure to withhold and pay tax, references in Section 52 to the payment due date are to be understood for this purpose as referring to the payment due date under this Section.
- (l) **Statement For Payments For Services To Resident Legal Persons.** If a withholding agent makes a payment to a resident legal person for services rendered, (i) the payment is of a sort that is includible in gross income under Section 201, and (ii) (A) the payment is \$300,000 or more, or (B) the total amount of payments made to such resident legal person is (or at the time of payment is expected to be) \$1,000,000 or more for the payer's tax year, then the withholding agent (while not required to withhold tax on such payments) is required to provide the tax authorities on a monthly basis with a statement setting out the name, address, and taxpayer identification number of each payee to whom such payments were made, the amount of the payments, and any other information required by the approved standard form. A withholding agent who fails to provide the tax authorities with a required statement under this paragraph is subject to a fine of \$10,000 for each required statement not provided.

SECTION 907 - REFUNDS

A taxpayer who has overpaid the amount of tax due for a particular tax period may claim a refund or credit of tax paid with respect to such overpaid amount in accordance with the refund provisions under Section 72. A taxpayer that makes a refund claim with respect to an overpaid amount of tax is entitled to interest on such overpayment under Section 14(b).

SECTION 1001 - TAXABLE SUPPLY

- (e) **Exempt Supply.** The following supplies are exempt supplies-

- (6) Subject to subsection (f), the supply to a registered manufacturer; to a contractor subject to Part II, Chapter 6 (".....") or to a producer under a mineral development agreement (".....") subject to Part II, Chapter 7, (".....") of-

- (A) raw materials or other inputs for use directly in manufacturing, or raw materials for use directly in (".....") in a mining (.....) project or in natural resource exploration and development;
- (B) capital goods.

- (8) The supply to a contractor subject to Part II, Chapter 6 (".....") ; or to a producer under a mineral development agreement (".....")) subject to Part II, Chapter 7 of all medical and educational equipment and supplies purchased for use directly in or in connection with the activities covered by Part II, Chapters 6 and 7, and intended to be placed in service within one year of purchase.

- (g) **Definitions.** In this Part, unless the context otherwise requires-

- (1) **Application to Own Use.** The term "application to own use" means:

- (A) Applying goods to a non-business use, including use by a related person, or
- (B) The transfer by a registered manufacturer of that person's manufactured products for consideration.

- (2) **Goods.** The term "goods" means any tangible movable property.

- (3) **Manufacture.** The term "manufacture" means to subject physical matter to any process that materially changes its substance or character, and includes the assembly of parts.

- (4) **Manufacturer.** The term "manufacturer" means any person who manufactures goods.

- (5) **Capital Goods.** The term "capital goods" means-

- (A) (".....").

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- (B) The following goods for a producer's use exclusively and directly in a mining (".....") project or in mining (".....") exploration or development-
- (i) Plant or equipment (including four-wheel-drive motor vehicles but not motorcycles, sedans or luxury vehicles as defined by regulation) and spare parts for these goods; and,
 - (ii) From the inception of exploration until the date commercial production begins, intermediate inputs (including but not limited to explosives, drilling mud, grinding balls, tires for trucks used in operations, and similar items specified in regulations).

SECTION 1701 - DUTIES IMPOSED ON IMPORT AND EXPORT

(a) Duties.

- (1) There shall be levied, collected, and paid on all goods imported into Liberia import duties at the rates set forth in the Customs Tariff Code.
 - (2) No duties are imposed on exports from Liberia, or on goods imported solely for the purpose of transshipment out of Liberia.
 - (3) The Minister is empowered to issue regulations covering the levy, security, and other measures appropriate to ensure that import duties will be paid if an import that entered as intended for transshipment out of Liberia is not subsequently exported.
- (b) It shall be unlawful for any Ministry or any government agency other than the Ministry of Finance to impose a customs levy on an import or export, including goods imported for transshipment out of Liberia, other than the levies imposed by the Agreed Revenue Code and specified in the Customs Tariff Code.
- (1) It is unlawful for any Ministry or government agency to restrict the free movement of imports or exports in any manner, including by regulations, sale of forms (other than Customs Entry Forms) to the public, or the requirement of any permit or payment as a condition for movement of imports or exports.
 - (2) Any person who intentionally acts in a manner that impedes the free movement of trade is subject to criminal sanctions, as provided in the Agreed Revenue Code.
 - (3) The Deputy Minister is required to monitor the movement of goods, and is empowered, in consultation with the Ministry of Commerce and Industry, to take appropriate measures to ensure the free movement of imports and exports.

SECTION 1702 - IMPORT DUTIES

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- (a) **Levy and Payment.** Customs import duties shall be levied on and paid by the importer in respect of goods listed in the Tariff Schedules at the rates specified therein.
- (b) **Exception.**
 - (1) In the case of an importer certified by the Minister as qualifying for exemption from import duty on specified imports, no duty is payable. All exempt persons must pay the Customs User Fee provided in Section 3 and Section 1802.

SECTION 1703 - [DELETED]

SECTION 1708 - EXEMPTION FROM IMPORT DUTIES

- (b) **Special Rule for Mining** ("....."). As specified by the Minister when imported by a producer under a mineral development agreement (".....") subject to Chapter 7 for use in a mining (".....") project or for natural resource exploration and development during from the inception of exploration until the date commercial production begins, the following goods are exempt from import duties-
 - (1) Plant or equipment (including four-wheel-drive motor vehicles but not sedans luxury vehicles as defined by regulation) and capital spare parts for these goods;
 - (2) Intermediate inputs (including but not limited to explosives, drilling balls, tires for trucks used in operations, and similar items specified in regulations); and
 - (3) Raw materials, except that no exemption is permitted from the 10 percent duty on gasoline and gas oil.

Through the life of the contract, the contractor is allowed an import duty exemption on all medical and educational equipment and supplies purchased for use directly in or in connection with the contract and intended to be placed in service within one year of purchase.

SECTION 1802 - CUSTOMS USER FEE

- (a) **Minister's Authority to Set Fee.** The Minister has the obligation to fix just and reasonable fees to be charged by the Bureau of Customs or on its behalf for issuing documents and performing other services in connection with the operation of the customs service, including pre-shipment inspection, that are not set forth herein or in notice any other statute or regulation, and must do so by regulation and by widely circulated notice.
- (1) **Imports.** The customs user fee for imports must not exceed 1.5 percent of the CIF Liberian Port value of imported goods. It applies to all imports at all borders regardless of whether the goods are exempt from import duty because it is intended to cover the cost of the inspection service for non-exempt person and the duty free service for exempt persons. If an import is entered solely for the purpose of

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transshipment out of Liberia, it is not subject to the fee in this paragraph but is subject to the fee described in paragraph (2).

- (2) **Exports.** No customs user fee shall be levied on any export except for unprocessed exportables, semi-processed exportables, transshipment. The fee for goods in transshipment or unprocessed goods portables must not exceed 2.5 percent of the FOB value. The fee for semi-processed exportables must not exceed 1.25 percent of the FOB value. The fee applies regardless of whether the goods are exempt from export duty.
- (3) **Scanning Fee.** The Minister is empowered to charge a fee directly related to the scanning of cargo containers. The fee must be proportionate to the length of the container, and may not exceed US \$7 per foot.

SECTION 2009 - EXEMPTIONS

The following categories of real property shall be exempt from real property taxes:

- (i) (".....").
- (ii) Real property used in mining (".....") exploration, development, or extraction within a mining license contract area (".....").

CHAPTER 23. FISCAL

SECTION 2304 - MINISTER UNDER DIRECTION OF THE PRESIDENT MAY MONOPOLIZE SALE AND EXPORT OF GOLD AND OTHER PRECIOUS METALS AND PRECIOUS MINERALS

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SECTION 2305 - PRESIDENT MAY MODIFY DUTY OR FEE ON GOLD AND OTHER PRECIOUS METALS AND PRECIOUS MINERALS; EXCEPTIONS.

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Form of Guarantees

FORM OF EXPLORATION GUARANTEE

THIS GUARANTEE (this "Guarantee") is made as of _____ [], 2010 by BHP Minerals Holdings Pty Ltd, an Australian company ("Guarantor"), to and for the benefit of the Republic of Liberia ("Beneficiary").

WITNESSETH:

- A. By a Mineral Development Agreement, dated as of _____, 2010, made by and among Beneficiary and BHPB Billiton Liberia Inc. (the "Company") (as such agreement may be amended from time to time, the "MDA"), the Company has agreed to execute and complete certain obligations upon the terms, and subject to the conditions set forth in, the MDA.
- B. The Company is directly or indirectly controlled by Guarantor or an Affiliate of the Guarantor and Guarantor or one of its Affiliates will be considerably benefited by the MDA.
- C. At the request of Beneficiary, Guarantor has agreed to guarantee due performance of the obligations of the Company as specified herein on the terms and subject to the conditions set out herein.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration the receipt of which is hereby acknowledged and accepted, Guarantor hereby agrees as follows:

- 1 Guarantor hereby irrevocably, unconditionally and absolutely guarantees any obligation or liability of the Company under Section 10.1 of the Exploration Regulations with respect to any Exploration conducted pursuant to the MDA , provided, that in no event shall Guarantor be obligated to expend more than US\$5,000,000 pursuant to this Guarantee (the "Guaranteed Obligations"), regardless of whether recovery on such Guaranteed Obligations may be or hereafter become barred by any statute of limitations or such Guaranteed Obligations may otherwise be or become unenforceable subject to clause 12.
- 2 Guarantor agrees that this Guarantee shall be deemed a continuing guarantee of those Guaranteed Obligations. Guarantor hereby expressly acknowledges and agrees that, notwithstanding anything to the contrary set forth in the MDA, for purposes of this Guarantee, "Guaranteed Obligations" shall be deemed to include all the obligations and

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liabilities of any Affiliate of the Company to which such rights and obligations under the MDA have been assigned.

- 3 Guarantor hereby irrevocably waives (i) diligence, presentment, protest, notice of dishonor, demand, extension of time for payment, notice of non-payment, and indulgences and notices of every kind, (ii) any lack of validity or enforceability of this Guarantee, the MDA or any agreement or instrument relating thereto, and (iii) any other circumstance that might otherwise constitute a defense available to, or a discharge of Guarantor under, applicable law. Guarantor hereby consents to any and all forbearances and extensions of time of payment in connection with the MDA, and to any and all changes in terms, covenants, and conditions thereof; it being the intention hereof that Guarantor shall remain liable as a principal until all Guaranteed Obligations shall have been fully satisfied, or this Guarantee is otherwise terminated under Section 12 hereof, notwithstanding any act, omission, or thing which might otherwise operate as a legal or equitable discharge of Guarantor.
- 4 Guarantor's obligations as guarantor shall not be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of the Company or its estates in bankruptcy, resulting from the operation of any present or future provision of the bankruptcy laws or other similar statute, or from the decision of any court.
- 5 Beneficiary shall have the full right, in its discretion and without any notice to or consent from Guarantor, from time to time and at any time and without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder: (a) to extend, in whole or in part, by renewal or otherwise, and on one or any number of occasions, the time for the performance of any term or condition of the MDA; (b) to settle, compromise, release, substitute, surrender, modify, or impair, to enforce and exercise, or to fail or refuse to enforce or exercise, any claims, rights, or remedies, of any kind or nature, which Beneficiary may at any time have against the Company.
- 6 This Guarantee is an absolute, unconditional and continuing guarantee of performance and not of collection. Guarantor hereby agrees that its obligations hereunder are irrevocable, and are independent of the obligations of the Company; that a separate action or actions may be brought and prosecuted against Guarantor regardless of whether any action is brought against the Company or whether the Company is joined in any such action or actions; and Guarantor hereby waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof.
- 7 In the event that Beneficiary retains or engages an attorney or attorneys to successfully enforce this Guarantee, Guarantor shall reimburse Beneficiary for all expenses incurred, including attorneys' fees and disbursements in connection with such enforcement.
- 8 Guarantor shall have no right of subrogation whatsoever with respect to the Guaranteed Obligations or to any collateral securing such obligations unless and until such obligations have been paid in full.

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- 9 Guarantor may not assign its obligations under this Guarantee to any Person without the prior written consent of Beneficiary. Guarantor agrees that this Guarantee shall be binding upon and enforceable against Guarantor and Guarantor's successors or permitted assigns.
- 10 Guarantor hereby represents and warrants that: (i) the execution, delivery and performance by Guarantor of this Guarantee and the fulfillment of and compliance with the terms and provisions hereof have been duly authorized by Guarantor (with such authorization in full force and effect), and do not and will not conflict with or violate any provision of its formation or organizational documents or conflict with, or result in any breach of, or constitute a default under, any agreement to which Guarantor is a party or by which Guarantor is bound; (ii) no other action is necessary for Guarantor to enter into this Guarantee; (iii) this Guarantee constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms; and (iv) Exhibit A attached hereto sets forth a true, correct and complete copy of the most recent balance sheet of the Guarantor which balance sheet, has been prepared in accordance with GAAP or IFRS and presents fairly in all material respects the financial position of Guarantor as of the dates indicated therein.
- 11 Within 120 days following the end of each financial year of Guarantor, Guarantor shall deliver to Beneficiary the financial statements and opinion regarding Guarantor (as opposed to the Company) described in Sections 17.4 (a) and (b), respectively, of the MDA.
- 12 This Guarantee shall remain in full force and effect and shall be binding on Guarantor, its successors and permitted assigns until the earliest of: (i) satisfaction in full of the Guaranteed Obligations; (ii) the payment of US\$ 5,000,000 by the Guarantor under this Guarantee; and (iii) the date which is one year after the termination of all the Exploration Licenses.
- 13 All notices, demands, requests and other communications to Beneficiary or Guarantor hereunder must be in writing and shall be deemed to have been given: (i) on the date of personal delivery; or (ii) if sent by facsimile to the numbers shown below and followed with a telephonic confirmation or copy sent by first class mail, on the date of such facsimile transmission; or (iii) when properly deposited for delivery by commercial overnight delivery service, prepaid, on the date delivered, as set forth in the records of such delivery service; and shall be addressed as follows:

if to Beneficiary:

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

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And

The Minister of Finance
Ministry of Finance
Broad Street
P.O. Box 10-9013
Monrovia, Liberia

And

The Chairman, National Investment Commission
National Investment Commission
12th Street Sinkor
P.O. Box 10-9043
Monrovia, Liberia

With a copy to

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

If to Guarantor:
Attention: Company Secretary
Level 25
BHP Billiton Centre
180 Lonsdale Street
Melbourne VIC 3000
Australia

Beneficiary and Guarantor may designate by notice in writing a new address to which any notice, demand, request or other communication may thereafter be so given, served or sent. Each notice, demand, request, or other communication which shall be delivered in the manner described above, shall be deemed sufficiently given, served, sent, received or delivered for all purposes at such time as it is delivered to the addressee.

- 14 This Guarantee shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of laws principles thereof (other than Section 5-1401 of the New York General Obligations Law).
- 15 The parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Guarantee, or the transactions contemplated hereby, shall be brought in any federal court sitting in New York State, so long as one of such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this



Guarantee shall be deemed to have arisen from a transaction of business in the State of New York. Each of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or any objection that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on either Party anywhere in the world, whether within or without the jurisdiction of any such court.

- 16 If any term or other provision of this Guarantee is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Guarantee shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party; provided, however, that this Guarantee may not be enforced without giving effect to the provisions of Section 1 hereof. No party hereto shall assert, and each party shall cause its respective affiliates not to assert, that this Guarantee or any part hereof is invalid, illegal or unenforceable. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Guarantee so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.
- 17 This Guarantee may be executed and delivered (including by facsimile transmission) in two (2) or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.
- 18 Capitalized terms used but not defined herein shall have the meaning assigned to them in the MDA.

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IN WITNESS WHEREOF, the undersigned have executed and delivered this Guarantee as of the date first above written.

BHP MINERALS HOLDINGS PTY LTD

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED:

THE GOVERNMENT OF THE
REPUBLIC OF LIBERIA

AND

By: MINISTER OF LANDS, MINES
ENERGY

By: MINISTER OF FINANCE

NATIONAL

By: THE CHAIRMAN OF THE
INVESTMENT COMMISSION

ATTESTED BY:

MINISTER OF JUSTICE
REPUBLIC OF LIBERIA

FORM OF MINING GUARANTEE

THIS GUARANTEE (this "Guarantee") is made as of _____, 20__ by _____, a _____ ("Guarantor"), to and for the benefit of the Republic of Liberia ("Beneficiary").

WITNESSETH:

- A. By a Mineral Development Agreement, dated as of _____, 2010, made by and among Beneficiary and BHPB Billiton Liberia Inc. (the "Company") (as such agreement may be amended from time to time, the "MDA"), the Company has agreed to execute and complete certain obligations upon the terms, and subject to the conditions set forth in, the MDA.
- B. The Company is directly or indirectly controlled by Guarantor or an Affiliate of the Guarantor and Guarantor or one of its Affiliates will be considerably benefited by the MDA.
- C. At the request of Beneficiary, Guarantor has agreed to guarantee due performance of the obligations of the Company as specified herein on the terms and subject to the conditions set out herein.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration the receipt of which is hereby acknowledged and accepted, Guarantor hereby agrees as follows:

- 1 Guarantor hereby irrevocably, unconditionally and absolutely guarantees any obligation or liability of the Company under, or undertaken in connection with, the Company's approved EMP(s) and/or Section 13 of the MDA, provided, that in no event shall Guarantor be obligated to expend more than 115 per cent of the aggregate of the amount set out in the most recent approved EMP as the estimate for closure costs in the agreed closure plan pursuant to this Guarantee including the Final Closure Plan(s) (as such Final Closure Plan(s) are modified by application of the provisions of Section 26.2(j) of the MDA (the "Guaranteed Obligations"), regardless of whether recovery on such Guaranteed Obligations may be or hereafter become barred by any statute of limitations or such Guaranteed Obligations may otherwise be or become unenforceable. In the event that the Company has no further obligations in respect of the Final Closure Plan(s) and has followed the procedure in Section 26.2(i) then this Guarantee shall be terminated.
- 2 Guarantor agrees that this Guarantee shall be deemed a continuing guarantee of those Guaranteed Obligations. Guarantor hereby expressly acknowledges and agrees that, notwithstanding anything to the contrary set forth in the MDA, for purposes of this Guarantee, "Guaranteed Obligations" shall be deemed to include all the obligations and liabilities of any Affiliate of the Company to which rights and obligations under the MDA have been assigned.

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- 3 Guarantor hereby irrevocably waives (i) diligence, presentment, protest, notice of dishonor, demand, extension of time for payment, notice of non-payment, and indulgences and notices of every kind, (ii) any lack of validity or enforceability of this Guarantee, the MDA or any agreement or instrument relating thereto, and (iii) any other circumstance that might otherwise constitute a defense available to, or a discharge of Guarantor under, applicable law. Guarantor hereby consents to any and all forbearances and extensions of time of payment in connection with the MDA, and to any and all changes in terms, covenants, and conditions thereof; it being the intention hereof that Guarantor shall remain liable as a principal until all Guaranteed Obligations shall have been fully satisfied, or this Guarantee is otherwise terminated under Section 12 hereof, notwithstanding any act, omission, or thing which might otherwise operate as a legal or equitable discharge of Guarantor.
- 4 Guarantor's obligations as guarantor shall not be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of the Company or its estates in bankruptcy, resulting from the operation of any present or future provision of the bankruptcy laws or other similar statute, or from the decision of any court.
- 5 Beneficiary shall have the full right, in its discretion and without any notice to or consent from Guarantor, from time to time and at any time and without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder: (a) to extend, in whole or in part, by renewal or otherwise, and on one or any number of occasions, the time for the performance of any term or condition of the MDA; (b) to settle, compromise, release, substitute, surrender, modify, or impair, to enforce and exercise, or to fail or refuse to enforce or exercise, any claims, rights, or remedies, of any kind or nature, which Beneficiary may at any time have against the Company.
- 6 This Guarantee is an absolute, unconditional and continuing guarantee of performance and not of collection. Guarantor hereby agrees that its obligations hereunder are irrevocable, and are independent of the obligations of the Company; that a separate action or actions may be brought and prosecuted against Guarantor regardless of whether any action is brought against the Company or whether the Company is joined in any such action or actions; and Guarantor hereby waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof.
- 7 In the event that Beneficiary retains or engages an attorney or attorneys to successfully enforce this Guarantee Guarantor shall reimburse Beneficiary for all expenses incurred, including attorneys' fees and disbursements in connection with such enforcement.
- 8 Guarantor shall have no right of subrogation whatsoever with respect to the Guaranteed Obligations or to any collateral securing such obligations unless and until such obligations have been paid in full.

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- 9 Guarantor may not assign its obligations under this Guarantee to any Person without the prior written consent of Beneficiary. Guarantor agrees that this Guarantee shall be binding upon and enforceable against Guarantor and Guarantor's successors or permitted assigns.
- 10 Guarantor hereby represents and warrants that: (i) the execution, delivery and performance by Guarantor of this Guarantee and the fulfillment of and compliance with the terms and provisions hereof have been duly authorized by Guarantor (with such authorization in full force and effect), and do not and will not conflict with or violate any provision of its formation or organizational documents or conflict with, or result in any breach of, or constitute a default under, any agreement to which Guarantor is a party or by which Guarantor is bound; (ii) no other action is necessary for Guarantor to enter into this Guarantee; (iii) this Guarantee constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms; and (iv) Exhibit A attached hereto sets forth a true, correct and complete copy of the most recent balance sheet of the Guarantor which balance sheet has been prepared in accordance with GAAP or IFRS and presents fairly in all material respects the financial position of Guarantor as of the dates indicated therein.
- 11 Guarantor shall within 120 days after the end of each financial year of the Guarantor deliver to Beneficiary the financial statements and opinion regarding Guarantor (as opposed to the Company) described in Sections 17.4 (a) and (b), respectively, of the MDA. Such information shall be accompanied by a certificate of the chief financial officer of Guarantor setting out whether or not, as at the balance sheet date covered by such financial statements, the Mining Guarantor Net Worth Requirements were satisfied and in the event that they were not so satisfied either attaching updated financial statements to a later date after the balance sheet date accompanied by a certificate setting out that the Mining Guarantor Net Worth Requirements have been satisfied as at the updated balance sheet date or setting out proposals for provisions of a replacement guarantee from a person who satisfies the Mining Guarantor Net Worth Requirements.
- 12 This Guarantee shall remain in full force and effect and shall be binding on Guarantor, its successors and permitted assigns until the satisfaction in full of the Guaranteed Obligations.
- 13 All notices, demands, requests and other communications to Beneficiary or Guarantor hereunder must be in writing and shall be deemed to have been given: (i) on the date of personal delivery; or (ii) if sent by facsimile to the numbers shown below and followed with a telephonic confirmation or copy sent by first class mail, on the date of such facsimile transmission; or (iii) when properly deposited for delivery by commercial overnight delivery service, prepaid, on the date delivered, as set forth in the records of such delivery service; and shall be addressed as follows:

if to Beneficiary:

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

And

The Minister of Finance
Ministry of Finance
Broad Street
P.O. Box 10-9013
Monrovia, Liberia

And

The Chairman, National Investment Commission
National Investment Commission
12th Street Sinkor
P.O. Box 10-9043
Monrovia, Liberia

With a copy to

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

If to Guarantor:

[]

Beneficiary and Guarantor may designate by notice in writing a new address to which any notice, demand, request or other communication may thereafter be so given, served or sent. Each notice, demand, request, or other communication which shall be delivered in the manner described above, shall be deemed sufficiently given, served, sent, received or delivered for all purposes at such time as it is delivered to the addressee.

- 14 This Guarantee shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of laws principles thereof (other than Section 5-1401 of the New York General Obligations Law).
- 15 The parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Guarantee, or the transactions contemplated hereby, shall be brought in any federal court sitting in New

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York State, so long as one of such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Guarantee shall be deemed to have arisen from a transaction of business in the State of New York. Each of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or any objection that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on either Party anywhere in the world, whether within or without the jurisdiction of any such court.

- 16 If any term or other provision of this Guarantee is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Guarantee shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party; provided, however, that this Guarantee may not be enforced without giving effect to the provisions of Section 1 hereof. No party hereto shall assert, and each party shall cause its respective affiliates not to assert, that this Guarantee or any part hereof is invalid, illegal or unenforceable. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Guarantee so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.
- 17 This Guarantee may be executed and delivered (including by facsimile transmission) in two (2) or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.
- 18 Capitalized terms used but not defined herein shall have the meaning assigned to them in the MDA.

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Summary of Company's Filing Obligations

This Exhibit is by way of summary only and to the extent of any conflict between this Exhibit and the relevant Section of the Agreement, the relevant Section shall prevail.

* means the due date of the obligation may be extended pursuant to the Agreement in certain prescribed circumstances.

Obligation	When due / Expiry	Section
Exploration		
The Company shall provide the Government with the Exploration Guarantee from BHP Minerals Holdings Proprietary Ltd.	Due within five Business Days following the Effective Date.	20.6(a)
The Company may exercise its right of first refusal following receipt of notice from the Minister with regards to the creation or relinquishment of third party rights in the Additional Exploration Area.	Due within 180 days or receipt of notice from the Minister.	4.2(c)
Initial Exploration Period during which the Company may conduct Exploration on any part of the Exploration Area in respect of which an Exploration License has been granted.	Expires on the fifth anniversary of the Effective Date or of the date on which an Exploration License comes into effect (as applicable)*.	4.3
Proposed Production Area		
Designation of a Proposed Production Area.	Due before the expiry of an Initial Exploration Period*.	5.1(a)
The Company shall submit to the Government detailed maps for each Proposed Production Area setting out the boundaries and coordinates of the area containing the deposits from which Iron Ore or other mineral is expected to be Mined.	Due within 60 days following the notice to the Government designating a Proposed Production Area.	5.1(c)
The Company must file with the Minister the Feasibility Report, application for a mining license and a certificate from the CEO of the Company (unless the Company has complied with the "marginal deposit" provisions pursuant to sections 5.2(a) and (b)).	Due by the Filing Date which is within 18 months of the date of designation of an area as a Proposed Production Area*.	5.1(d)

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Obligation	When due / Expiry	Section
The Company is required to make a payment of the extension fee if it chooses to extend either the time for designating Proposed Production Areas or the time for filing the Feasibility Report.	Due at least 30 days prior to the expiration of the time period otherwise applicable.	5.1(h)
If the Company believes that the “marginal deposit” provisions in the Mining Law are applicable to the Iron Ore or other Minerals contained in a Proposed Production Area (and has not obtained an extension of 6 months to the time for filing the Feasibility Report) it may apply to the Minister pursuant to section 5.3(l) of the Mining Law for postponement of the obligation to deliver a Feasibility Report for a period of up to 2 years.	Due within 12 months of the date of designation of such Proposed Production Area.	5.2(a)
The Company may apply for a second delay period of up to 2 years upon complying in full with the requirements of Section 5.2(a) as though they were applicable by their terms to a second delay period.	Due not more than 180 and not less than 90 days prior to the end of the initial delay period.	5.2(c)
In order to retain its rights in a Proposed Production Area following an approval by the Minister of a delay period, the Company must pay an annual postponement fee (in addition to the surface rent payable) and file the Feasibility Report and related materials applicable to such Proposed Production Area.	Payment due in advance within 15 days after the commencement of each year of approved postponement period. Filing due prior to the end of the delay period, or second delay period (if applicable)*.	5.2(d)
Mining		
With respect to each proposed Mine, the Company shall demonstrate, through performance of the proposed capacity demonstration testing program set forth in the Feasibility Report, that the Mine and all related Mining Plant, Infrastructure and equipment have substantially the operating capacities set forth in the Development Plan.	Due within 180 days of the scheduled completion date*.	6.2(a)
If the Feasibility Report and the Development Plan call for a two-stage development, each capacity demonstrating test for each stage will be required to be completed.	Due within 180 days of the scheduled completion date for the components covered by that test*.	6.2(a)
Environmental		
The Feasibility Report must include an EIA,	The Feasibility Report will	5.4 to 5.6

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Obligation	When due / Expiry	Section
EMP, SIA and SAP. At the Company's option the EIA, EMP, SIA, SAP, project linkages plan and skills and technology development plan may be combined into one report.	not be approved until the EPA has approved the EMP and EIA (which it has 3 months to approve from submission).	
Prior to the approval of the Feasibility Report, each of the EMP, EIA, SIA, SAP, project linkages plan and the skills and development plan must have been made available to the public.	Due at least 60 days prior to the date of approval of the Feasibility Report.	5.7(b)(iii)
Unless the Company has elected an alternative form of funding pursuant to Section 5.5(g), the Company shall provide the Government with the Mining Guarantee from an Affiliate of the Company that meets the Mining Guarantor Net Worth Requirements.	Due prior to the issue of the Mining License.	20.6(b)
In order to make substantial changes in methods of operations that would materially affect employment, environment or resettlement, the Company must update its EIA, EMP, SIA and SAP and make these documents available for public comment.	Due at least 60 days prior to the approval of an updated Feasibility Report.	5.9
The Company must deliver to the Minister an environmental report prepared by the Company which shall include an assessment of the Production Areas under its Mining License plus all areas outside of the Production Areas in which the Company conducts Operations.	Due within 60 days after each anniversary of the date of grant of the Mining License.	13.2(a)
The Company must deliver to the Minister commencing with the second anniversary of the submission of the first environmental report pursuant to Section 13.2(a) an environmental audit and assessment of the Production Areas under its Mining Licenses plus all areas outside the Production Areas in which the Company conducts Operations.	Due once every 2 years commencing on the 2nd anniversary of the submission of the first environmental report under Section 13.2(a).	13.2(b)
The Company must deliver to the Minister an environmental audit and assessment of the Production Areas under its Mining Licenses plus all areas outside the Production Areas in which the Company conducts Operations.	Due on the last day of the Mining Term.	13.2(b)
The Company shall periodically update the EIA and the EMP to reflect the actual status	Due not less frequently than every 4 years or as	13.4(a)

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Obligation	When due / Expiry	Section
of Operations at the time and updated risk assessments generally applicable with respect to Operations or Mine closure, and updated estimates of the cost of carrying out the closure management plan.	otherwise required under applicable Law.	
The Company must update the EIA and the EMP as a condition to making any material changes in Operations, or any Mine, Mining Plant or Infrastructure.	Due prior to making changes to Operations.	13.4(b)
Company Reporting Requirements		
The Company must provide the reports required by Section 6 of the Exploration Regulations.	Applicable from the Effective Date until the grant of the Mining License.	6.5(a)
Six-monthly report on the progress of construction of the Mining Plant and Infrastructure provided for in the approved Feasibility Report.	Applicable following grant of the Mining License and prior to Substantial Construction Completion, due every 6 months.	6.5(b)
Quarterly statistical report setting out the items referred to in Section 6.5(c).	Due within 30 days of the end of the quarter (including months ending an annual operating period), beginning with the calendar quarter in which the Production Operating Period commences.	6.5(c)
Quarterly operating report concerning the progress of its operations in the Production Areas that are the subject of a Mining License and setting out the items referred to in Section 6.5(d).	Due within 30 days of the end of the quarter, beginning with the calendar quarter in which the Production Operating Period commences.	6.5(d)
Annual operating report setting out the items referred to in Section 6.5(e).	Due within 60 days of the end of the Financial Year, beginning with the Financial Year in which the Production Operating Period commences.	6.5(e)
Annual financial report setting forth the quantity of Product(s) produced and shipped from Liberia or Transferred to a third party in Liberia during the Financial Year and the computation of the Royalties or any other Taxes or Duties imposed with respect to the	Due within 60 days of the end of the Financial Year, beginning with the Financial Year in which the Production Operating Period commences.	6.5(f)

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Obligation	When due / Expiry	Section
quantity of Product(s) so shipped or so Transferred, in each case paid or remaining to be paid on such shipments or Transfers.		
The Company shall provide the Government any monthly operating reports that it regularly provides to its Affiliates.	Due monthly (to the extent prepared).	6.5
The Company shall 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 of such operations and activities.	Due on an ad hoc basis.	6.5
Company must provide the Government with evidence as to the existence of the insurance.	Due annually.	6.8(d)
The Company must coordinate the activities of the Company security services with the Government's police and law enforcement authorities and report to the Minister of Justice (with a copy to the Minister) on the activities of the Company's security services, 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.	Due quarterly, unless someone has been detained in which case a report must be provided as soon as practicable and in any event within 1 month of the detention.	9.2(c)
The Company shall deliver to the Government a balance sheet of the Company and statements of income, changes in shareholders' equity and cash flows of the Company for each Financial Year, together with the documents referred to in Section 17.4.	Due within 90 days after the end of each Financial Year.	17.4(a)
The Company shall file together with its annual income tax return an information return setting out the computation of accumulated net cash flow and its components for the relevant tax year including such detail as the Ministry of Finance may reasonably require.	Due annually with the annual income tax return.	Schedule 14.3(g), Section 4

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Principles relating to Community Funding

General

Subject to the following paragraph, the Annual Social Contribution shall be deposited and held in one or more separate segregated accounts as determined by the Government from time to time for use in accordance with Section 8 and this Exhibit 8.

Where any audit conducted pursuant to Section 8.2(b) demonstrates a material discrepancy between the actual disbursements or expenditures made pursuant to Section 8.2 and the budgeted and/or reported disbursements or expenditures as determined by the Committee, the Company shall be entitled to require that the monies be retained in an escrow account pending an agreement between itself, the Government and the Committee regarding an alternative funding mechanism be established for the purposes of managing the contributions and disbursements made pursuant to Section 8 (for example, through the establishment of a trust arrangement).

The following principles shall be applied to any particular project or activity within the Program:

Governance of the community development and infrastructure investments

- Selection of the community development and infrastructure projects must be apolitical and completely transparent.
- No direct payments to individuals will be made, save for the purpose of paying for goods or services duly rendered in the execution or oversight of one or more funded projects which has been authorized by the Committee.
- The Company retains the right to independently audit (at its own expense) any disbursement or expenditure made from the Annual Social Contribution or any project supported with funds from the Annual Social Contribution.
- Other than the obligations set forth in Section 8.2 of the Agreement, the Company will have no further obligations with respect to any project supported with funds from the Annual Social Contribution, including, but not limited to, any on-going or periodic maintenance and repair costs or other operational costs in connection with the projects funded by the Program Budget.

Project Selection Criteria and Process

- Members of the Committee will work collaboratively to identify, prioritize, and select appropriate community development and Infrastructure projects.

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Intermediate Inputs and Consumables

Type	Description	Examples
Capital	Mining Operations	Drill rigs, trucks, shovels, loaders, dozers, scrapers, graders, geophysical logging vehicles, excavators, compactors, etc
	Mine Infrastructure	Camp equipment, pipes, power systems (incl. transformers, switch gear, transmission lines, substations), pit pumps, communications equipment, etc
	Beneficiation and Processing	Feeders, grinding mills, crushers, screens, chutes, conveyors, flotation machines, spirals, magnetic separators, filters, centrifuges, pumps, piping & valves, reservoirs and tanks, electric motors, process control equipment, hydrocyclones, thickeners, samplers, online analysers, laboratory equipment, etc
	Stockpiling and Train Loading	Feeders, stackers, reclaimers, train loadout, hoppers, bins, etc
	Miscellaneous Equipment	Bob cats, low loaders, cranes, forklifts, 4WD and other vehicles (excluding luxury sedans), buses, workshop equipment, tools, fuel trucks, explosives trucks, mine rescue vehicles,.
	Housing, medical and offices	All equipment, furniture, appliances, and other fittings required in connection with the construction of offices and other buildings, portable accommodation facilities housing and medical centres and furnishing of those buildings, etc
	IT and communications equipment	All IT and electrical equipment, including computers, printers, screens, projectors, satellite, radio and other transmission and reception equipment, etc
	Railway & Rolling stock	Rail wagons, loco's, rail track, sleepers, ballast, control and signalling equipment, etc
Consumables and	Port & Maritime	Stockpiling yards, stacker, reclaimers, conveyors, chutes, hoppers, ship loaders, tug boats
	Reagents	Flocculants, flotation reagents, oil, grease, heavy media, lubricants, etc

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Type	Description	Examples
Intermediate Items	Grinding Equipment	Grinding rods, grinding balls, lifters, liners, grinding media, etc
	Earthmoving Equipment	Engine parts, ground engaging implements, tyres, wheels, blades, tracks, buckets, attachments, etc
	Mineral Exploration	Drilling consumables and spare parts, exploration consumables and equipment, analytical instruments, etc
	Processing Equipment	Screen frames, sub frames, screen panels, sprays, underpans, centrifuge baskets, cyclone nozzles, cyclone bodies, pipes, valves, hoses, pump impellers, liners, agitators, pump casings, belts, guards, conveyor belts, rollers, idlers, scrapers, pulleys, etc
	Power	Coal, HFO, LPG, other hydrocarbons (except diesel and gasoline), etc.
	Social infrastructure	Consumables for use in the medical centres and schools
	Misc	Explosives, equipment spare parts, vehicle parts, tools, nuts and bolts, shovels, picks, ropes, welding supplies, gas, electrical fittings and components, IT and office supplies and stationery, safety equipment (PPE etc), etc

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Deed of Adherence

THIS DEED OF ADHERENCE is made on 201[•]
and is **SUPPLEMENTAL** to a mineral development agreement dated [•] June 2010 and
made between The Government of the Republic of Liberia, BHP Billiton (Liberia) Inc. and
BHP Billiton Iron Ore Holdings PTY LTD, as amended from time to time (the "MDA").

WHEREAS:

- (A) By a transfer dated [•] 201[•], [insert name and address of transferor] (the "Old Shareholder") transferred to [insert name and address of transferee] (the "New Shareholder") Control in the Company.
- (B) This Deed is entered into in compliance with the terms of Section 27.5 of the MDA.

NOW THIS DEED WITNESSES AS FOLLOWS:

- 1 This Deed is made for the benefit of the original parties to the MDA and any other person or persons who after the date of the MDA (and whether or not prior to or after the date of this Deed) adhere to the MDA.
- 2 Save where the context otherwise requires, words and expressions defined in the MDA have the same meanings when used herein.
- 3 The New Shareholder accepts the appointment in accordance with the provisions of Section 27.5(d) of the MDA and agrees that this document shall constitute a written arbitration agreement in the terms set out in Section 27 of the MDA.
- 4 This Deed and the rights of the parties hereunder shall be construed and interpreted in accordance with Liberian law and the provisions of Sections 33.2, 33.3, 33.4, 33.5, 33.6, 33.7, 33.8 and 3.9 of the MDA shall apply *mutatis mutandis* as if set out herein.
- 5 For the purposes of Section 28 (Notices) of the MDA, the name and address of the New Shareholder are as set out below in this Deed:

[Insert notices details]

This Deed of Adherence has been executed as a deed and it has been delivered on the date stated at the beginning of this Deed of Adherence.

[Insert execution details]

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AN ACT TO RATIFY THE MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, BHP BILLITON (LIBERIA) AND BHP BILLITON IRON ORE HOLDINGS PYT LIMITED

It is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature assembled:

SECTION I: That from and immediately after the passage of this "*ACT TO RATIFY THE MINERAL DEVELOPMENT AGREEMENT, (MDA) BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, BHP BILLITON (LIBERIA) AND BHP BILLITON IRON ORE HOLDINGS PYT LIMITED*" 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 provisions as contained herein.

SECTION II: SHORT TITLE: This "Act to ratify the Mineral Development Agreement, (MDA) between the Government of the Republic of Liberia and BHP Billiton Iron Ore Holdings PYT Limited" shall also be cited as "*MINERAL DEVELOPMENT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, BHP BILLITON (LIBERIA) AND BHP BILLITON IRON ORE HOLDINGS PYT LIMITED.*"

SECTION III: That any and all obligations, covenants, terms and conditions as contained in the above mentioned "*MINERAL DEVELOPMENT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, BHP BILLITON (LIBERIA) AND BHP BILLITON IRON ORE HOLDINGS PYT LIMITED.*" shall be carried into full completion unless otherwise modified, amended, or repealed.

SECTION IV: This Act shall take effect immediately upon publication into handbills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING.

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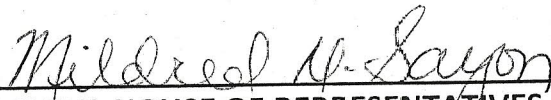
FIFTH SESSION OF THE FIFTY-SECOND LEGISLATURE OF THE
REPUBLIC OF LIBERIA

HOUSE'S ENGROSSED BILL NO. 16 ENTITLED:

***"AN ACT TO RATIFY THE MINERAL DEVELOPMENT AGREEMENT,
(MDA) BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA
BHP BILLITON (LIBERIA) AND BHP BILLITON IRON ORE HOLDINGS
PYT LIMITED"***

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Tuesday, June 29, 2010 @ 11:20 GMT.

On Motion, the Bill was taken from Committee Room for its second reading. On motion, under the suspension of the rule, the second reading of the Bill constituted its third and final reading, and the Bill was adopted, passed into the full force of law, and ordered engrossed today, Thursday, September 9, 2010 @ 14: 45 GMT.


CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

2010

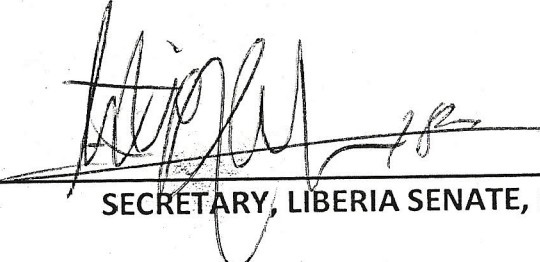
FIFTH SESSION OF THE FIFTY-SECOND LEGISLATURE OF THE
REPUBLIC OF LIBERIA

HOUSE'S ENGROSSED BILL NO. 16 ENTITLED:

***"AN ACT TO RATIFY THE MINERAL DEVELOPMENT AGREEMENT,
(MDA) BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA
BHP BILLITON (LIBERIA) AND BHP BILLITON IRON ORE HOLDINGS
PYT LIMITED"***

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Thursday, September 09, 2010 @ 14:20 GMT.

On Motion, the Bill was taken from Committee Room for its second reading. On motion, under the suspension of the rule, the second reading of the Bill constituted its third and final reading, and the Bill was adopted, passed into the full force of law, and ordered engrossed today, Friday, September 10, 2010 @ 15: 40 GMT during a Special Sitting.

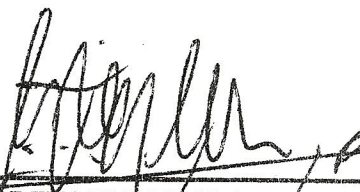

SECRETARY, LIBERIA SENATE, R.L.

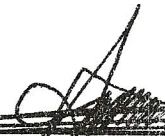
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ATTESTATION TO:

**"AN ACT TO RATIFY THE MINERAL DEVELOPMENT AGREEMENT (MDA) BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, BHP BILLITON (LIBERIA) AND
BHP BILLITON IRON ORE HOLDINGS PYT LIMITED"**



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

SECRETARY, LIBERIAN SENATE, R.L.

SPEAKER, HOUSE OF REPRESENTATIVES, R.L.

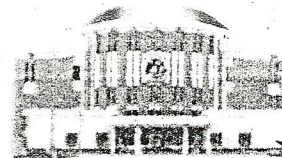
CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.



Office of the Chief Clerk

REPUBLIC OF LIBERIA
THE HONORABLE HOUSE OF REPRESENTATIVES

Capitol Building
P.O. Box 9005
Monrovia, Liberia



2010

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

SCHEDULE OF HOUSE'S ENROLLED BILL NO.11 ENTITLED:

**"AN ACT TO RATIFY THE MINERAL DEVELOPMENT AGREEMENT (MDA)
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, BHP BILLITON
(LIBERIA) AND BHP BILLITON IRON ORE HOLDINGS PYT LIMITED"**

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

APPROVED THIS 16 DAY OF September A.D. 2010.

AT THE HOUR OF 10:40 AM


THE PRESIDENT OF THE REPUBLIC OF LIBERIA