

- AN ACT TO RATIFY THE CONCESSION AGREEMENT AMONGTHEGOVERNMENTOFTHE

REPUBLIC OF LIBERIA, WESTERN CLUSTER LIMITED, SESA GOA LIMITED, BLOOM FOUNTAIN LIMITED AND ELENILTO MINERALS AND MINING LLC.

APPROVED: AUGUST 22, 2011

PUBLISHED BY AUTHORITY

MINISTRY OF FOREIGN AFFAIRS

MONROVIA, LIBERIA

AUGUST 22, 2011

MINERAL DEVELOPMENT AGREEMENT Among

THE GOVERNMENT OF

THE REPUBLIC OF LIBERIA,

WESTERN CLUSTER LIMITED,

SESA GOA LIMITED,

BLOOM FOUNTAIN LIMITED

AND

ELENILTO MINERALS & MINING LLC Dated as of August 3, 2011

AN ACT TO RATIFY THE CONCESSION AGREEMENT AMONG THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, WESTERN CLUSTER LIMITED, SESA GOA LIMITED, BLOOM FOUNTAIN LIMITED AND ELENILTO MINERALS AND MINING LLC

*It is enacted by the Senate and House of Representatives of the Republic o(Libenu in Legislat1lre assembled:*

SECTION I:

That from and immediately upon the passage of this Act, "AN ACT TO RATIFY THE CONCESSION AGREEMENT AMONG THE GOVERNMENT OF THE REPUBLIC OF LIBERIA, WESTERN CLUSTER LIMITED, SESA GOA LIMITED, BLOOM FOUNTAIN LIMITED AND ELENILTO MINERALS AND MINING LLC" a.<;

herein recited below word for word **i11** the authentic English Version be, and the san1e is ~1ereby ratified.

SECTION II: SHORT TITLE:

This ACT TO RATIFY THE CONCESSION AGREEMENT AMONG THE GOVERNMENT Of THE REPUBLIC tlF LIBERIA, WESTERN CLUSTER LIMITED, SESA GOA LIM!ll'D. BLOOM FOUNTAIN LIMITED AND ELENILTO MINERALS AND MINING LLC shall also be cited as the WESTERN CLUSTER CONCESSION AGREEMENT.

SECTION Ill:

That any and all obligations, covenants, terms and conditions as contained in the above mentioned ACT TO RATIFY THE CONCESSION AGREEMENT AMONG THI<: GOVERNMENT OF THE REPUBLIC OF LIBERIA, WESTERN CLUSTER LIMITED, SESA GOA LIMITE!l, BLOOM FOUNTAIN LIMITED AND ELENILTO MINERAL~

AND MINING LLC ALONG WITH ITS ADDENDUMACT TO RATIFY THl· CONCESSION AGREEMENT AMONG THE GOVERNMENT OF THE REPlJBLIC Ol LIBERIA, WESTERN CLUSTER LIMITED, SESA GOA LIMITED, BLOOM FOUNTAIN LIMITED AND ELENILTO MINERALS AND MINING LLC shall i>'' carried to full completion unless otherwise modified, amended or repealed.

SECTION IV:

This Act shall take effect immediately upon the publication into handbill. ANY LAW TO THE CONTRARY NOTWITHSTANDING.

**Section**

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SCHEDULES AND EXHIBITS

Description of Exploration Area

Description of Pre~Feasibility Study Acti\ritics

Shareholders, Affiliates and Related Matters

F orrn of Mining License

Form of Mineral Exploration License

Parent Guarantee

Form of Exploration Guarantee

Form of Mining Guarantee

Other Approved Fiscal l'rovisions

l'hc Pricing Agreen1ent (1'o be attached after Effective Date pursuant lo Section 15.3(c))

[RESERVED]

Principles Rclati11g to Com1nunity F't1nding

lnlcrmediate Inputs and Consumables

Forn1 of Deed of Adherence

Port Lease (including n1ap of leased area in Port) ('l'o be provided after Effective Date V.'hcn l'ort l,case is i1cgotiated and executed. See Section 6. 7(j)

Map of Railroad Corridor to Monrovia Port

tvfap of Road Corridor to Monrovia Port (To be be prepared f

by the MOPW and attached to this Agree1nent as an exhibit \Vhen it has been approved by the MOI>W pursuant to Section 6.7(b))

Form of Escrow Release Notice

l"'orrn of Document llelease Notice

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This Mint Agreen1ent (as hereinafter defined, Lhe "Agreen1ent") is rnade the Jrd of; and among:

:RNMENT OF THE REPUBLIC OF LIBERIA

repr~senterr of Lands, Mines and Energy, the Minister of Finance, and the Ch~Hrman I Investment Commission, and attested to by the Minister of Justice,

\VESTERN CLUSTER LIMITED

a corpora!- under the la\VS of f\_,iberia (as hereinafter defined, the "C -&!!!12illl.Y. ,,

SESA GOA LIMITED

a publicly Ii.incorporated under the la\vs of India ("Sesa (Joa''), BLOOM FOUNTAIN LIMITED

a corporatior,der the la\VS of Mauritius (as hereinafter defined, "Bloom"), and

'.NILTO MINERALS & MINING LLC,

~ Jirni.tcJ liab}' organized under the !avvs of DelaVv·are (as hereinafter defined, Elcmil\_Q").

Capit~lized *tei* this Agreeinent \Vithout other definition have the respective rncanings :Jssia in Section 1.

WIT NESSET,

A, Every J\J1e surface of the ground or in the soil or sub-soil, rivers, water courses \.Vaters and contin~ntal shelf of Liberia is the property and nationa~· I~iberia and all rights related to the exploration for and cxploitaterals belong exclusively to Liberia.

B,

C,

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·r~c Go\*sircs to encourage the further exploration and development of /\1ineral~, and \vishes to pro1note and facilitate the operation of n1ining con1pani~ction therewith.

l'he CJo\i]so desires, through the operation of n1ining con1panies, to benetit fl\vhich J'v1inerals are developed, including facilitating growth cenlers <ition for sustainable regional develop1nent, to create 1norc cinployn1~unitics, to encourage and develop local business and ensure that ski!ls.o\v and technology are transferred 10 citizens of Liberia, to

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acquire basic data rt:gardi11g and related to the cow1try·'s !V1ineral resources and to preserve and rehabilitate the natural environment for further development of Liberia.

D. On Nov·en1ber, 281h 2008, the Gover1unent issued a genera! solicitation for bid proposals for the exploration and mining of iron ore in the "\\/cstcro Cluster Iron Ore l)eposits" of Liberia, ("Western Cluster Project") as described in -;ender Documents dated December 15, 2008.

I:~. On l\tfay l.51h 2009, Eleni!to Minerals & Mining I.td, a con1pany rC'gistered under the la\VS of Anguilla ("Elenilto Anguilla"), subn1itted a bid in response to the \Vestern Cluster Invitation to Rid as set forth in the Bid Proposal of May 15, 2009 and subsequently in the Clarifications to bid proposals submitted on November 30, 2009;

17 . In December 2009, the Governn1enl notified Elenilto Minerals & Mining Ltd that it.s bid hud been accepted by the Government and that E!enilto Minerals &-Mining Ltd was determined to be the "Provisional Wirmer" of the Tender for the Rehabilitation and Developn1enl of the Western Cluster Iron Ore Project;

In order to carry out the Western Cluster Iron Ore f>roject, Elenilto Minerals &

G.

Mining l,t<l forn1ed \\'estern Cluster I,imited, a Liberian corporation, as a \\-'holly ov..·ncd subsidiary;

Subsequently, Scsa Goa sought to acquire, directly or indirectly, a n1ajority

II.

interest in the issued and outstanding share capital of the (~om~1any from Elenilto Minerals & Mining IJtd, and the Governn1cnt apprO\'ed the acquisition of such interest by Sesa Goa (or its \.Vholly owned subsidiary);

On June 7, 2011, Elenilto Anguilla filed a certitlcatc of conversion with the

I.

Secretary of State of the State of Delaware converting fron1 an Anguillan company to a Delaware !in1ited liability co1npany unde§ the name "Elenilto Minerals & Mining lJ,C'';

On July 25, 2011, Elenilto, Sesa Goa, the Co1npany, and Bloom Fountain Li1nited,

J.

a company for1ned under the laws of Mauritius ("Bloon1") and a wholly-owned subsidiary of Sesa Goa, have e11tered into a Share Purchase and Operation Agrce1nent purs11ant to which Bloon1 has act.1uircd title to 51 % of the outstanding shares of capital stock of the Company and has agreed to have control over lhe management and operations of the business of the Company and tl1e Project;

In compliance witl1 the la\\IS of Liberia, Elenilto shall pay all applicable taxes,

K.

including withholding tax as provided herein, on the proceeds received in connection with the acquisition by Bloo1n of a majority interest in the issued and outstanding share capital of the Company, and Bloo1n shall withhold from its payrnent to Elenilto, and ren1it to the Govemn1eot, the amour1t of \Vithl1olding tax required by this 1\green1ent;

F:-~lcnilto, Bloont. and Sesa (Toa, as the sl1areholdcrs or parent thereof, of the

L.

C.ompany, shall be jointly and severally liable for all obligations uf the (~ompany;

M. ·1'::-;:;;,c~r. 0>1°.\ll ihC otjcvtivc oi d-,i.; invitalion to 81J. an\..l Lbc render J)ocuments published by the Government in I)ecen1ber of 2008, the Government, Elcnilto, Sesa Goa, Blootn, and the Compa11y have entered into this Agreement for the purpose of confirming the te1111s and conditions under \Vhich the Goven1ment is \Vi!iing to grant the Con1pany Exploration Licenses for the Dami Hills, Bea Mountain and Mano River iron ore deposits and confirming the tern1s and conditions that \viii govern the Company's transition to Class /\. fvfining Licenses covering the !3omi Hills, l3ea Mountain and Mano River iron ore deposits and its operations under such Class A n1ining licenses.

01. l'hc Crovcrnn1ent is \.vi!!ing to grant the Company's rights \Vith respect to Mineral exploration and 1nining in connection v,.·ith the referenced deposits on the terms and conditions set forth herein, and the Con1pany is \vi!ling to accept such rights on the tcrn1s and conditions set forth herein.

*NC)W,* TifEREFORf,, the parties hereby agree as fol!O\VS:

SECTION I DEFINITIONS, TERMINOLOGY AND INTERPRETATION

·rhe follo\ving tern1s \Vherevcr used in tl1is Agrcen1ent shall have the respective mea11ings set forth bclov.':

"1\cccpt~blc ·rhird Party Financial Institution" ineans a third party financial institution \Vith a long-ter1n credit rati11g of at ]east A (or its equivalent) fi·on1 at least t\.VO internationaUy recognized credit-rating agencies.

"Affiliate" of any Person n1eans any other Person that, directly or i11dircctly. Controls or is Controi!cd by or is under con1mon Control v.'ith, such Person.

"Agreed R~venue Code" has the 1neaning given in Section l 4.2(a).

"Agrcen1ent" n1eans this Mineral !)evelopinent Agrcc1nenl as well as all schedules and exhibits annexed to it, as they may from tirne to time be amended.

"Annual Social Contributi.on" has the meaning gi~'en in Section 8.2(a).

"APMI" has the 1neaning given in Section 6.7(d).

'·Big FQ.ur Fi{m'' has the ineaning given in Section 20.7.

"8100111.·· has the meaning given in the preamble to this Agreen1ent.

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

"('hairperson of the Wind!ng lJp Con1n1ission'' n1cans the person designated as the Chairperson of the \\iinding lJp Coinmission in accordance with Section 25.7(a).

"Chairperson\_ of the National Investment Conunission" 1ncans the Chairperson of the National Investment Con1n1issio11 or the Ilepublic of Liberia.



"Change of Conirol' n1cans any ass1gnrnent, s3lc, or transfer of interest of any type which results in a change in possession of the power to Control the Company, \vhether such power is vested in a single Person or a Group. A Change of Control of a shareholder (incll1ding any Shareholder), member, partner or joint venturer of the Co1npany or of a Group made up of such Persons \viii constitute a Change of Contr<)I of the Company if such shareholder, n1er11bcr, partner, joint venturer or Group can Control the Co1npany.

'"CIM Code" has the meaning given in the definition of Selected CRIRSCO Code. "Co1n1nission" has the meaning given in Section 25.?(a).

".Con11nittee" has the meaning given in Section 8.2(c).

'·(\_'omrnunication" has 1he meaning given in Section 28. l.

"i~\_o1npanv" bas the 1neaning given in the prcarnblc to this Agreen1ent.

''Co1npany Event of 11efaulf' has the n1eaning given in Section 25.2.

''Co111pctcnt Person" has the meaning assigned in the Selected CIZJRSCO Code, provided that !Or three years from tt1e Etiective Date the term "Competent Person" shal! also ir1cluclc a geologist vvho is a citizen and resident of Liberia with a graduate degree in mineral geology from an internationally recognized geology progra1n who lacks the professional 1nembership rcquiren1ents imposed for qualification as a Competent Person under [he Selected CRJ[ZSCO Code but who otherwise has a minimum.of five years post

graduate experience in non-govern1nental employn1ent rele\_\rant to the style of 1nineralization and type of deposit or class of deposit under consideration and to tl1e rrctivity which that person is undertaking, provided that(!!) if such person is estimating or supervising the estin1ation of Mineral Resources, the relevant experience shall be in tl1e estimation, assessment and evaluation of Mineral Resources, *(Q)* if such person is estimating, or supervising the esti1nation of Mineral Reserves, the relevant experience shall be in the estin1atior1, assessment, evaluation and assessme11t of the economic extraction of lvlineral Reserves, a'nd (~) such person has certified to the Minister that he has the requisite proressional competence in the cornmodity, type of deposit and situation under consideration.

"Co11tldential Inforn1atio11'' has the mea11ing given in Section 22.2(a).

''(~ontro!'' (including the ter1ns "Controlled by" and "under common c:ontrol with" and "Controls") n1eans tl1e possession, directly or indirectly, of the power to ctirect or cause the direction of(or to block action by) the management ofa Person. Without limiting the generality of the preceding sentence, the ability to control a Person is presumed to exist if a second Person or Group holds or can direct the exercise of at !cast 25% of the ::Vlanage1nent Rights with respect to such first Person and no third I)erson or Group holds or can direct the exercise of' a percentage of the Management Rights with respect to such first Person that exceeds the percentage of the Management Rights held by such second Person or Group.

'-~~Jntrolling Person" h<is the 1neaning given in Section 23.11.

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"Deflatq(' n1eans the 01)!> Implicit Price Deflator as published a11d revised from tin1e to time by the U.S. f)epart1nenl of Com1nerce Bureau of Economic Analysis. If sucl1 index is no longer publislieJ, the parties shall agree upon a functionally and subst~11tively similar replacement reference or other\vise agree upon adjustments that will substantially preserve the economic impact and tirning of the periodic adjustrn<.:nts conten1pl:Jted by Sections 8.2(b), l l.3(b) and 11.4.

"'Dcveloprnenf' n1e<tns all preparation for the removal and recovery of Minerals, including the construction and installation of all Mining Plant, Infrastructure and other equipment to he used in ::onnection with the mining, handling, 1nilling, beneficiation or other processing or transport<·ttion of i\!Jinerals.

"f)9\_~r;lop1ncnt Plan" has the meaning given in Section 5.6(a)(iv).

"l)isnpvroval Notice" has the n1eaning given in Section 5.9(e).

"Disawrovcd Feasibility l{cpo\_rt'" has the 1neaning given in Section 5.9(e). "Disput~'" bas the 111eaning given in Section 27.l(a).

l'Dollar" and '"lJS$" n1eans the lawful currency· of the United States of America. "EC()\V AS" means the l--:cono1nic Comn1unity of West African States. "Effective Date" has the n1eani11.g given in Section 2.

·'EIA" has the n1e<111ing given in Section 5.6(b).

"EleniliQ" has the n1eaning given in the preainble to this Agree1nent.

"EMP" has the n1eaning given in Section 5.6(b).

"Environmental IZcstoration Oblioations" has the 1neaning given in Section 5.7(c).1

"t~nviron1nentaLJ~estoration Obligations Funding Agreement" has the meaning given in Section 5.7(c).

'·f:nviron1ncntal Restoration Obli2ations Guarantee" has the n1eaning given in Section 5.7(c).

''EPA'" means the Environn1ental Protection Agency of Liberia and any other 111inistry, departn1ent or agency of Liberia that succeeds to its environmental protection functions.

"l:'~vent of Default" n1cans a Govern1ncnt Event of Default or a Co1npany Event of f)cfault.

"f~xploration" a11d ·'f~xplore" have the respective meanings assigned in the Exploration Regulations.

"Exploration Area" means each of the areas described in Schedule 1 to this Agrcen1ent as sucb area n1ay be n1odificJ by Section 3.2 of the Exploration IZcgulations.

"F~xploration Guarantee" has the rnean1ng given in Section 20 6(c).

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

"Exploration Guarantor Net \\/orth Requirements" has the meaning given in Section 20.6(c).

''Exploration License" means the "License" for purposes of the Exploration IZcgulatio!i.S, issued to Company with respect to the Exploration Area.

"I-<:xploration Period" n1eans the term of an Exploration License issued pur:::llant to this Agreement, including as modified or extended from time to time.

"Exploration Period I)rojcct I,inkages IJlan" has the meaning given in Section 4.2(e).

"Exploration IZcgulations" n1eans the Regulation Governing Exploration lJnder a Mineral Exploration License of Lhc Republic of Liberia whicl1 becatne effective on and after March 20 l 0., as from time to time a1nended, supplemented or modified.

"feasibility Consultant" has the 1neaning given in Section 5.2(a)(i).

"Feasjbilitv Re.12.QU" has tl1e 1neaning given in Section 5.2(a)(i).

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

"Financial Year" n1cans Jant1ary 1 through December 31, or such other period c)f tv.·elve calendar months ending on March 31, Ju°:e 3.0 or October-31 as 1nay· be ·agreed by the IJarties.

"Force Majeure" has the n1eaning givc11 in Section 29.2.

"Freeport Concession Agreement" has the meaning given in Section 6.7(d).

"Freeport of Monro\_yia'' means the area located at latitude of 6°20'31" North nnd longitude of tq.0 47'45" West on the coast of Liberia.

"GAAP" has the 1neaning given in Section 17.4(a).

"Gover11ment" means the Government of Liberia, including all of the branches, divisions, instrun1entalities and agencies of its government.

"CJovernmcnt E\:',ent.of Default" has the n1caning given in Section 25.1.

··yroup" means two or more Persons V·iho are acting together for the purpose of acquiring, holding, voting or disposing of Ivlanagement Rights of a Person. Tl1e parties to a shareholders agreen1ent with respect to a corporation that establishes how directors of the cqrporation arc to be cl1osen or how the parties must vote their shares in certain cases, and tli:: parties to any similar agreement with respect to any other business entity, are in each case n1cmbers of a Group.

"Guarantor" means either the f~xploration Guarantor or the Mining Guarantor, as ~plicable.



"Guan:H'L' r i\el '·/1·\;;·t!l l,.cuairen-icIJ.ts" tr1eans e1ll1er tbe Exploration Uuara11tor Net Worth Requirements or the Mining Guarantor Net Worth Requireme11ts, as applicable.

"IFRS" has the meaning given in Section l 7.4(a).

"Imrnovable" 1ncans, when referring to tangible property, all improvernents to the I ... and, sl1ch as roads, dams, and canals, and all items of tangible property that are securely affixed and attacl1ed to the Land or to buildings or other structures on the Land. AH other items of tangible property are ".Movable".

"Indebtedness" has the n1eaning given in Section 20.4(c).

"Indicated /\tfincral H .. esource" has the ineaning given 111 and is to be deter1nined as prescribed in the Selected CIURS(:() Code.

''Jnferred Mineral I{csourcc" has the meaning given 1n and is to be determined as prescribed in the Selected CRlRSCO Code.

"Inf.rastructt1re" iricludes a!l facilities and, to the extent provided belo\v, equipment, co11structed or acquired hy purchase, lease or otherwise by the Co1npa11y (other than Mining Plant) and used by the (',on1pany in co1111cction with Operations (other than in Exploration), including (by \Vay of exa1nple):

(a) Tn11novable tra11sportation and communication J3ci!ities (including roads, bridges, railroads, airports, landing strips and landing pads for airc.:r .. aft,· hangars and other airport facilities, garages, channels, tra1nways, pipelines and I111n1ovab!e installations for radiO, telepl1one, ·telegraph, telecomrr1unicatio11s, and electronic or other forms of communications).

(b) I1nn1ovable porl facilities (including docks, harbors, piers, jetties, breakv,,aters, tern1inal facilities and warehouses, and loading and unloading facilities).

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(c) Immovable pov'er, water and sewerage facilities (including electrical generating plants and transmissio°' lines, da1ns, water drains, water supply syste1ns and systems for disposing of tailings, plant waste and sewage).

(d) I1nn1ovable public \.Velfare facilities (including schools, clinics and public halls).

{e) Miscellaneous I1nn1ovable facilities used prin1arily in connection **witl1** the operation of any of the foregoing (including offices, machine shops, foundries, repair shops, e1nployces' housing and warehouses).

(f) Movable cquipinent used as an integral part of the Immovable facilities described above.

"fnternational Mining Standards" means such practices, methods and acts as are in accordance \vitl1 good standards uf skill, diligence, judgment, prl1dence and foresight practiccd by prudent professio11als employed by leading internatio11al firms in the inter11ationa! mining industry (for cxa1npJe, firrns that are n1crnbers of the International Council on Minerals and !vletals), provided that the Government n1ay by Law designate a

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particula1 i11t-:':rilauuna1 iVf111ing ~}tandard as being generally applicable to all holders of Class A mining licenses or exploration licenses issued under the Mining Law.

"Investor Parties" l1as the meaning given in Section 27.l(a).

"Iron ()re" means Minerals of which the principal economic value is its iron content. "J()RC Code" has the meaning given in the definition of Selected CRIRSCO Code.

"!~and" means any !and in l~iberia including any creeks, strean1s, rivers or blJdies of water (and their residue) contained on or within all such land.

''f\_,ando\vner" ha.s the n1eaning given in the Mining L .. aw.

''La\V" nleans any constitution, treaty obligation, la\V, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclan1ation, directive, executive order or other sovereign act of the Government other tl1an this Agreement.

"L,(;JA'' n1eans the London Cou1i of International Arbitration.

-'~"has the rncaning given in Section 2.

;,!\_\_,iberian Currency" nleans any currency, except Dollars, that is legal tender in [,iberia, 01 circulates freely in any part of Liberia by virtue of any I,aw or authority as a medium of cxcl1a!1~e for .the purchase or sale of goods and services.

"Lien" n1eans any mortgage, lien, pledge, cl1argc, security interest or other encumbrance on any property or asset, or any interest or title of any vendor, lessor, !ender or other ~ccured party in or to any property or asset under any conditional sale or other title retention agreement

"Major Cori.tractor" has the 1ncaning given in Section 12.

·"ivlanagement Rights" n1eans, V.'ith respect to a Person, the right to participate in the direction of the management and policies of such Person, through such means (by way of example and not lin·;itation) as (i) the pO'A'er to. direct the vote of shares entitled to participate in the election of directors of such Person, (ii) any other right to participate in the designation of the directors of such Person, (iii) the po\ver to act as, or to direct the vote of a voting partner ot: any such Person that is a parti1ership, or (iy) the contractual right to act as a manager or operator of a11y such Person that is a lirnited liability company or similar entity, or to participate in the direction of such manager or operator.

"Material Adverse \_E.ffect" means any nlaterial adverse effect on (i) ()perations or (ii) tl1e 2bility of the Company to exercise its rights or perforn1 its respective obligations under this Agreement, any Exploration License or any Mining License.

"Mine" when used as a verb, means to intentionally extract or ,vin Minerals and includes any Operations directly or indirectly incidental thereto, "Mining'', when used as a verb, has a corresponding n1eaning. ''Mine", when used as'' noun, refers to the tangible shafts, cuttings, excavations and diggings fro1n v,1hich or through which Minerals are extracted froin the earth.

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"Mineral'' or "i\Jineral~" n1cans a naturally occurring element or co1npound having an orderly internal structure and characteristic chemical composition, crystal form, und physical properties, forn1ed by or subject to a geological process but not ·including hydrocarbons.

"Mineral Development Fund" means the Mineral Development Fund established by the t\1ining L,aw.

"Mineral Rcsc;\_ryes" has the 1neaning given in, and is to be determined as prescribed in, the Selected CRJI.ZSCO Code.

l "Mineral Resources" bas the 111eaning given in, and is to be determined as prescribed in, the Selected CRIRSCO Code.

"Mining Guarantee" bas the n1eani11g given in Section 20.6(d).

"Mining Ciuarantor" has the 1neaning given in Section 20.6( d).

"IYtining CJuarantor Net Worth Requirc1nents" has the meaning given in Section 20.6(d).

"Mining Law" means the Minerals and Mining l,aw 2000 lJart I of ·rit!e 23 of the I,iberian Code of La\v Revised, as from time to time amended, supplemented or n1odificd.

"Mining License" means a Class A mining license granted by the Govern1nent to the Company under the Mini11g Lav.; and Section 5 of this Agreement to ·Mine and produce specific Mincr<1ls in a specified area in Liberia, which shalfbe substantially in the fortn of Exhibit 1 hereto or as the parties may: ()therwise agree.

"J\1ining Plant" ineans all facilities a11d equipment constructed or acquired by purchase, lease or othervvise by the Con1pany that are directly used in the extraction, milling, beneiiciation or other processing of Minerals into the form in which they are marketed by the Company, including both Immovable items and Movable items. l~'or the avoidance of doubt, facilities and p:quipinent used to transport Minerals after extraction and thrl)ugh tl1e final stage of processing by the Company (including direct Mineral load-out facilities integrated into the final processing facility and tr~nsport fro111 tl1e final processing facility to adjacent storage areas) constitute Mining Plant, while such things as facilities an<l equipment used to load and transport f\1inerals onward from the 11oint of final processing constitute Infrastructure.

"';\.1ining Tcrn1" has the n1eaning given in Section 5. lO(a).

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

"Minister of finance" n1eans the Minister of Finance of the Republic of Liberia. "i'vlinister of Justice" n1ea11s the Minister of Justice of the Republic of Liberia.

"MinifilJ}'." 1neans the Ministry of Lands, Mines and Energy of Liberia and any other n1inistry, depart1nent or agency of Liberia that succeeds to its responsibilities of supervising the u11dcrtaking ofl\1ineral exploration and mining activities in Liberia.

'-i\1inislrv \_ofFinance" ineans the Ministry of Finance of the Republic of Liberia. 

"Ministty of Justice" means the Ministry of Justice of the Republic ofLiberi?.

"Ministry of Public \~lorks'" n1cans the }.1inistty of Public \Vorks of the Republic of Liberia.

"'Mortgage" has the meaning given in Section 23.6.

"l\1ortl!agcd Property" has the 1neaning given in Section 23.6.

"Movable'' has the 1neaning given in the definition of"Immovable" above.

"National lnvest1nent Commission" n1eans the National Investment Con1n1ission of the Republic of Liberia.

"Net \Vorth" rncans, as to any corporate }lerson, at any relevant tin1c:

(a) the total assets of such Person which would be sho\Vn as assets on a balance sheet or such Person as of such time prepared in accordance with GA,A.P or IFRS. as applicable; minus

(b) the total liabilirie.'> of such Person which would be sho\vn as liabilities on a balance sheet of such Person as of such time prepared in accordance with (iAAP or IfRS, as applicable.

"()ccupant of Land" has *the* 111e-aning given in the Mining Law.

''Official" has the n1eanlng given in Section 21.l(i).

"Operations" n1cans all act1v1t1es and transactions conducted by or on behalf of the Con1pa11y with respect to, under or incidental to this Agreement including Exploration, Dcvclopn1ent, Produclilin and restoration or reinediation.

"Operations Plan" has the 1ncaning given in Section 5.6(a)(v).

·'J1larcnt C.Juarantce" has tl1e n1eaning given in Section 20.6(b).

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"Parent Guarantor" has the n1caning given in Section 20.6(b).

"llarent (juarantor Net \\Torth\_J~eat1iren1ents" has the meaning given in Section 20.6(b).

"J2..i!!1Y'' 1neans either the Govern1nent or the Co1npany or, solely for the purposes of Sections 21.3, 27 and 28.3, any Shareholder or Sesa Goa, and, in the plural forn1, both the Govemrncnt and the Con11Jany and, solely for the purposes of Sections 21.3, 27 and 28.3, any Shareholder or St".sa Goa.

"P~n1ent Notice" has the n1eaning given in Section 25.3.

"P.£:rn1itted Subsidiaries" means the Con1pany's wholly·owned J,iberian Subsidiaries working exclusively \Vith lhe Company in relation solely to the Operations.

"Pertnitted Transferc9\_" has the n1eaning given in Section 23.8.



"Per.s..:h\_: 1:1.;:;:i.) ,L.~- 11atural JlCr~on ;;.nd arty partnership, joint ve11ture, corporation, limited liability con1pany, trust, estate or other organization or entity, and any branch, division, political sub-division, instrumentality, authority or agency of any government or state.

"Pi...>Jf' means rbe NIOC and LNfC~ Iron Ore piers in the Freeport of Monrovia, Liberia and the other integrated infrastructure 1narked on the n1ap included in Exhibit 9 hereto.

;'Port I,ease" 1neans a lease agreement to be entered into between the Compa11y and the National Ports .1\uthority ,)n 1nutua!ty acceptable terms relating to land for use by the Con1pany in connection with the Company's Iron Ore Operations that require use of facilities at the Po11. The Port I,ease shall include a detailed n1ap relating to the portions of the Port \\'here the Cornpany is permitted to conduct Iron Ore ()perations, \.Vhich map, at such tirne as the I'ort Lease is attached to this Agreement, shall be deemed to be f-<'.xhibit 9 hereto.

".fo\ver Plant" has lhe 1neaning given in clause (7) of Section 5 .6( a)(iv).

"fre-l:easibility [Zcport" has the n1caning given in Section 4.6.

"'Prevailing Market Rate of Exchange" n1eans the predorninant rate, expressed in Dollars, at \vhicl1 willing sellers and willi11g buyers, acting at arms-lengtl1 and in the ordinary course of business, are, 011 the day that the transaction takes place (or, if that day is not a business day, the preceding business day), prepared to purcl1ase or sell (as appropriate for the applicable transact\_i<;:>\_n) any currency issued by authority \_of the Central Bank of L,Jberia or any sticcessor gover11mental agency of Liberia or any relevant currency of another jurisdiction (as the case n1ay be) in J,ondon, United Ki11gdom and ".business day" for purposes of this definition means a day on which banks arc open for nor1nal banking business in London, United Kingdon1.

"Prcvi9us Negative Environmental ln1pact" has the meaning given in Section I 3.6(a). "Pricing Agreen1ent" has the n1eaning given in Section IS .J(a).

"I'robab!e Mineral I-Zeserve" has the meaning. given in and is to be deter1nined as prescribed in the Selected CRJRSCO Code.

"Product(s}" means any product or products produced by the Con1pany tinder the authority of a Mini11g License, be it ore, mill co11centrates, pellets or any other product the principal econon1ic value of which is its iron content.

·'Production" nleans the con11nercial exploitation of Minerals found in the Exploration .A..rea and authorized to be exploited under a Mining [.icense and all other activities incidental thereto including the design, construction, installation, fabrication, operation, maintenance and repair of Mining Plant, Infrastructure and any other cquipn1ent, and the Mining, processing, stockpiling, transportation, export and sale of such Minerals.

"Production Arca" means any of the areas in the Exploration ,'\rea designated by the Compa11y as a ''Proposed Production Area" pursuant to Section 5.1 for which the Government has granted a Mining License to the Con1pany pt1rsuant to Section 5 .5, including, for the avoidance of doubt, Retained Production Areas.

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"Production Qperaung Pcr1o<i" n1eans the period of time during whicti the Mining Plant is being operated, maintained and repaired and the Mining, processing, stockpiling, transportation, export and sale of Minerals is occurring.

"Prc1fQ1!!1d Changes in Circuinstances" 1neans Sltch changes, since the relevant base period under Section 3 l. t, in the economic conditions of the mineral and 1nining ind1!:>iry worldwide or ii1 Liberia, or such changes in the economic, political 0·- social circu1nstances existing in Liberia specifically or elsewhere in the world at :argc as to result in s11cl1 a material and fundamental alteration of the conditions, as.<:tlmptions 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.

"I]'oject" means the Mine, fvlining Plant and Infrastructure relating to a Production Area or a Proposed Produciion Arca (as applicable).

"-Prohibited Person" has the n1eaning given in Section 23.8.

''I)ropertv Lisf' has the n1eaning given in Section 26.2(a).

''Proposed Production Area" means an area or area designated as such by the Con1pany pursuant to and in accordance with the requiren1ents of Section 5. I.

"Proven Mineral Reserve" has the n1caning given in and is to be deter1ninecl as prescribed in the Selected c:RIRSCC) C~ode.

''Railroad" has the 1neaning given in Section 6.7(a).

"lZAP" has the 1neaning specifii.::d in Section 5.S(b).

''Regulatiot1§." means the regulations at the time in effect issued by the Minister pursuant lo Chapter 21 of the Mining La\v.

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''llelated Person" has the n1eaning set forth in Section 208 of the Revenue C.ode. "Relinquished Are\_<!:'' bas the n1eaning given in Section 4.4.

"Restricted Payn1ent" has the meaning given in Section 20.4(d).

·'Retained Production 1\reas" has the n1eaning given in Scctio11 4.3.

"Revenue Code" 1neans the l:Ze\1cnuc Code of Liberia 2000 of l,iberia, as frorn time to ti1ne an1endcd, supplemented or 111odified, or any successor revenue code of Liberia. IZefercnces in this r\greement to the Rever1ue Code shall be deemed to include the n1odifica1ions set forth in ~xhibit 3, as if such modifications were in force and constituted applicable La\v for the purpose of deter1nining the liabilities of the Co1npany under the Revenue Code.

"l:Zcvie\V Period" has the 1nea11ing given in Section 5.9(a).

·'.Roau'· has the n1caning given in Section 6.6.



l"Royaltv" has the rneaning given in Section 15.l(a).

"Royalty Rate'' has the n1caning given in Section 15.1 (a).

"SAMREC Code" has the meaning given in the definition of Selected CRIRSCC) Code. ''.S.0~'· has the rneaning given in Section 5.6(c).

"Selectecl CRJRSC() Cod~" n1eans a Con1mittcc for Mineral Reserves International Reporting Standards (C1Z1JZSCO) recognized mineral evaluation code such as the Joint Ore Reserves Con11nittee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Gcoscientists and Minerals Council of Africa Coded for Reporting of Exploration Results, I'vlinera! Resources and Ore Reserves, as in effect from tirne to time (the "JOIZC Code"), the C:anadian Institute of Mining, Metallurgy and Petrolcun1 Definition Standards on Mineral Resources or Mineral Reserves, as in effect ti·om time to time (tl1e "CIM Code"), or the South African Mineral Resource Code for the l{cporting of Exploration Results, Mineral Resources and Mineral Reserves, as in effect fron1 time to time (the "SljJvlRECJ:j\_)dc")- as elected by the Company from time to tin1e. Initially, the Selected c=lZIRSC:o c:ode is the SA MR EC: Code. If the Selected CIZlRSCC) Code is no longer in effect or no longer defines a term defined herein by reference to it, the Company will select a CRIRSCO-conipliant replacement code or if none exists a Cunctionally and substantively sin1ilar replace1nent code and pro1nptly notify the Government thereof.

"S~sa Goa'' has the meaning given in the preamble to this Agreement

"Shareholder(s)" means l:'.lcnilto-; Bloom, and any other Person that acquires an interest in the Company in accordance \Nith this Agreement.

··SIA" has the meaning give11 in Section 5.6(c).

"Start of Co1n1nercial Production" has the meaning gi-ven to the comn1cnccn1cnt of "co1nmercial prnduction" in Section 700 (e) of the Revenue Code.

"Subsidiarv" 1neans. as to any Person, any other Person in which such first Person or one or n1ore of its Subsidiaries or sl1ch first Person t;nd one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or tl1em (as a group) ordinarily, in the absence of contingencies, to elect a 1najority of the directors (or Persons perfo1ining similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the jJroJits or capital thereof is ovv11ed by such first l)erson and/or one or more of its Subsidiaries.

"1'axcs and Duties" n1eans any and all direct and indirect income, profit, excess profit, additional profit, gains, capital gains, corporation, dividend, interest, financing, net \vorth, sales, transaction, payroll, in1port, export, customs, constil, inspection, value added, consurnption, supply. use, turnover, severance, stumpage, cash 1lov·.:, rental, land rental, surface rental, property, stan1p, \Vithholding and other taxes, duties, fees, levies, excises, rates, charges, imposls, surcharges, royalties and other Government in1posed revenue payments of whatever nature and however called and \Vl1ether paid to lhc GovcrnnH:nl or to any otl1er Person at its directive of pursuant to Law.

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''I~.r:\_m" n1eans the tern1 of this Agreeinent set forth in Section 3, as it may fron1 time to time be extended in accordance \Vith the provisions of this Agree1nent.

"Termination Notice" has the 1neaning given in Section 25.S(a).

"I'\_hird Party Company Claim" has the meaning given in Section 13.6(b)(i). ''Third Partv Ci-overnn1cnt Claim'' hBs the n1cBning given in Section 20.l(a)(i).

"Transfer" means a11d includes a sale, assignment, pledge or other transfer of property, by operation of law or otherwise.

''1'ransfer Pricing Study" has the 1neaning given in Section 20. 7,

"lJNCITRAL Rules" 1neans the arbitration rules of United Nations Con11nission on fnter11ational Trade Lav.•.

"Up-Front Pavrr1cnt" bas the 111eaning given in Section 16.7.

"ll.D-Front Payrncnt Guar\_flntee" means the certain guarantee of the Con1pany's payn1ent of the Up-Front Payment, dated as of the 251n of July 2011 and issued by the Standard Chartered Bank in favor of the Govern1nent.

"~lark" means all activities undertaken by or on behalf of the Company under this Agrce1nent, including continuing Exploration under its Exploration J,icense, if any, the design and construction of all Mines, Mining Plant and Infrastructure and the acquisition of related equipn1cnt, the operation of all Mines, Mining Plant, Infrastructure arid related equipment, the shutdo\"vn and dc1nobilization of all Mines, !v1ining llJant and Infrastructure, all cnvironn1cntal protectio11, restoration and rc1nediation activities required by this Agrecn1cnt 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 nu1n~r as t11c context shall require. I Icadings to the clauses and sections of this Agreement are inserted for convenience on!y and shall not affect its constr.uction. Unless otherwise specifically provided for in this Agreen1ent, all references in this Agreement to Law or to any specific lav..1s or regulations of l.iberia, including a specific section thereof, shall mean such laws, regulations and/or sectior1, including any successor law, regulation and/or section to any law, regulation and/or section specifically cited in this Agreement as are at the ti1nc in e1Tect. All references in this Agreement to Law shall include, with respect to any statute, any regulations pron1u!gated thereunder. References to "Sections," "Appendices," "Schedules" and "Exhibits" without other attribution are references to Sections, Appendices, Schedules and Exhibits forming part of this Agreement

Any reference to a Person includes such Person's successors by operation of Jaw and a11y reference to a part)1 also includes such party's permitted assigns or any transferee pursuant to Section 23.

Unless otherwise stated, a reference to "hereof," "hereunder," "herein," or words of sin1ilar n1eaning, 1neans this ;\grccment. ·rhc words "and" and "or" \Viii include the conjunctive and disjl1nctive, as the context may require or permit. ·rhe \\'Ord "include" (and any variation of th::it \Vord), v..-·ithout other qualification, means "Including but not

limited l0." 'rh1.- ~-1uvernrncn1, til-:: (~ornpany ar1d Eleni!to 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

2.1 Effective Date.

This Agreen1ent, after having first been signed on behalf of the parties as provided on the signature pages of this Agreement, shall beco1ne effective and be binding on them on the date (the "Effective Date") on \vhich the last of the follov,.'ing conditions have been satisfied: (i) attestation of this Agreen1ent by the Minister of Justice, (ii) approval of this :\greemcnt by th~ President of the Republic ofIJiberia, (iii) ratiftcation of this Agreement by the National Legislature of tl1e Republic of Liberia (the ''J,egislature"), and (iv) publication of this Agrec1ncnt in handbills (at which point this Agreement shall take effect as Law). The Ministry and the ~1inistty of Finance shall provide the Company with a certiftcate signed by representatives of the Ministry of f'inance and the Ministry certifying that the events described in clauses (i) through (j\_y\_) of the foregoing sentence have occurred.

2.2 Acguisitioq \_\_ o\_f Shares.

According to the terms of the Stock Purchaser and Operatio11 l\greement executed between Sesa (Joa, Elenilto, lJ!oon1 and tl1e Con1pany, Bloom has acquired legal and be11cficial OVv'nership of 51°/o of the outstanding shares of capital stock of 1hc Company and simultaneously thcrc\vitl1, Bloon1 l1as transferred an amount of $90,000,000 (Ninety Million lJnitccl States J)olJars only) to an escrow account opened with JP Morgan, London Branch according to the tcrn1s of a cash escrow agreement executed between Bloom, Elenilto and JJ> Morgan. ln parallel, Bloom and Elenilto have also executed a docun1cnt escrovv agreement ltnder which, Bloom and E!enilto have deposited certain docu1ncnts, including the lJp-front Payment Guarantee that was deposited by Bloorn.

Immediately and in :i.ny event within 2 (two) days after ratification and prior to the J~J1'ectivc Date, the Government shall, through the Minister of Justice, issue the valid release notices under the above two escrow agreements. Forn1s of the valid release notices arc attached hereto as 1\_,~xhibits 11 A and 11 B.

SECTION 3 TERM OF THE AGREEMENT

·rhe term of' this Agreen1ent co1nmenccs on the Effective Date. The initial ter1n of this Agreement is 25 years, subject to earlier termination as provided in this Agreen1cnt, and \vii! be automatically extended to n1atch any extension under Section 5.1 O(a) of the ter1n of any Mining License.

SI<:CTION 4 EXPLORATION LICENSE; INTF:IUM EXPLORATION

RIGHTS; PRE-FEASIBILITY STUDY

4. i ExplorAtion l,icenses.

Not later than ninety (90) days after tl1e Efi'ectivc [)ate, the Con1pany s!Tall be granted Exploration l,icenscs for each of the Exploration Areas (as specified

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herein or ;r, accordance with the Exploration f{.eguiations). 'i h~ terms of the respective Exploration I,icenses (the "Exploration Period" under the Exploration Regulations) shall terminate as scheduled below.

(a) l'hc l~xploration f,icense for the Bomi Deposit shall terrninate on the third (31u) anniversary oftl1e Effective Date.

(b) ·rhe Exploration License for the Mano River Deposit shall terminate on the fifth (51h) aru1iversary of the Effective Date; and

(c) The Exploration License tOr the Bea Mountain Deposit sha!i ter1ninate on the seventh (71h) anniversary of the Effective [)ate.

All of the above Exploration Licenses may be extended in accordance \Vith the Mining l,a\V or the Exploration Regulations.

4.2 Exploration Ri~

(a) J)uri11g the Exploration Period, the (~ompany shall 11avc excl11sive right to conduct Exploration for Iron Ore within the Exploration Area.

(h) ·rhc Con1pany sl1all conduct Exploration within the Exploration Area in cornpliance with tl1e Exploration Regulations, incl11ding Section 7 thereof, Dnd this Agrcen1ent, 11otwithstanding any conflicting provisio11s of the Exploration l,icense. Unless expressly other\vise. provided in this Agreement, if there is a contJict betvveen the ter1ns of the Exploration llegulations and the te1ms of this Agree1nent, the terms of this Agreement shall control.

( c) The rights of the Company to conduct Exploration u11dcr tl1is Agreement arc li1nited to exploration for Iron Ore.

( d) During the Exp!'oration Period the Company may conduct only such Exploration as does not require the filing with or application to, or the obtai11ing of any consent, approval, license or per1nit from., the EPA unless such filing or application has duly occurred and any such consent, approval, license or permit has been duly obtained; provided that if EPA fails to act tin1e\y, the Minister upon notice by the Company of such failure 1nay· perinit continued Exploration until such time as the EPA does act. A copy of each such consent, approval, license or permit obtained by the Company from the EPA shall be promptly fded with the Minister. For clarity, the Cornpany may commence Exploration in the Exploration Area following issuance of the Exploration License, provided that the Company has cornplied with the Exploration Regulations.

( e) \\1ithin no n1orc than 120 days following the Effective Date, and no later than the date or subn1ission of the Company's Exploration Pro grain, the (~01npony shall provide the Governn1ent a project linkages plan which (i) identifies the potentials for local suppliers, contractors and service providers to service the Project, (ii) identifies key interventions to grow the Qmincrals input industrial sector, and (iii) sets out a project local purchase

plan \V1th clear n1ilestones identified in terms of an increasing percentage of local purchases of goods and services, and providing for bidding preferences f'or local suppliers, contractors and service prov:,:lcrs (provided thal such I)crsons otier quality, tenns, delivery, service, quantity and price at least comparable to those obtainable fron1 oth<:r sources) *(the* "Exploration Period Project fjnkagcs Plan"). ·rhe (:01npany shall update the Exploration Period Project IJinkages Plan once every 12 n1onths during the l~xploration Period.

4.3 l\ctained Jlroductiq.rr..A.rs:as.

In addition to designation of Proposed Production /\rca.s in accordance \.vith Section 5.l(a), prior to the expiry of the Exploration f)eriod, !he Con1pany may' also nominate an <:1rea of Land for the pl1rposes of access to nnd frorn the Proposed l)roduction Areas, the devc!op1nent and operation of Infrastructure, or as reasonably required in con.nection vvith existing and future Operations, including reasonable buffer 7011es around Proposed Production Areas ("l:Zetaincd l)roduction Areas''). Any such Retained l)roduction Areas shall be dee1ned to be part of the applicable I)roposcd I1roduction Arca and shall be subject to the rights and oblig'11ions set out under this Agreement (other than the Cotnpany's right to conduct Exploratio11 in such Retained Productio11 Areas).

4.4 ·rern1ination ofl:2illloration Rights a11d Lapse of Exploration AJea.

f.~xccpt as provided 111 Section 5.l(d) with respect to Exploration conducted in a Proposed Production ;\rca tiinely designated in co1np!iance \Villi the requirc1nents of Sections 5.l(a) a11d 5.l(b), fro1n and after the expiration of the Exploration Period the c=o1npany shall have no further rights under this Agrccrnent or any prior agreen1ent with or license or permit from the (Jovcrnment \\-'ith respect to any portion of the f-~xploration Area other than that cncon1passed by Proposed Production 1\reas tin1cly designated in compliance with the rcquiren1cpts of Sections 5.1 (a) and 5. l(b) (such portion(s) in which the Con1pany no longer has rights, the ''l-\e!inquishcd Area"). Unless otherwise per1nittcd by the Government, the (:ompany shall. within a reasOnable period, but not to exceed 180 days after the expiration nf the J-:xploration Period, cause the removal ancl proper disposal of any property used by the Company or any of its contractors that is located on the Relinquished 1\re:.1.

4.5 J'hird Pai:ty Rights iq\_ lhe I~xploration Arca.

'!"he Co111puny acknowledges that the Government may grant rights to one or more third parties to T~xplore for gold and other Minerals (but not, for the avoidance or doubt, Iron ()re) in the Exploration Area, subject to the (~on1pany and each such third party vvorking i11 good faith to reach agreement with respect to the conduct of their respective activities in the Exploration Arca. 'J"he (~on1pany agrees that it \vill engage in negotiations with any third party seeking such l~xploration rights regarding the conduct of their respective activities in the Exploration ,\rca and shall conduct such negotiations in good faith with the goal of reaching an agreen1cnt that is reasonably acceptable to the Company and such third party. 'fhc (:01npany agrees !hat, if the Company and such third party fail to reach such an



agreement, the Con1pany \Viii sub1nit to an independen)t dispute resolution process with such third party, \vhich process shall be reasonable in light of the circumstances, including the financial resources of the third party. 'i'he Con1pany acknowledges that the Government shall have no obligation to intervene on behalf of the Company in any dispute between the Company and such third party, \vhether in connection with such negotiations or otherwise, but n1ay intervene to help resolve such dispute.

Jlre-feasibilitv Report.

4.6

'fhe Con1pany agrees that it will prepare, in good faith and ii1 accordance with International ivfining Standards, a study in accordance 1.vith the require1ncnts set forth below and i11 Schedule 2 attached hereto (the "Pre-Feasibility Ileport") to be submitted together with its notice designating a Proposed Production Area pursuant to Section 5.1. 'fhe Pre-Feasibility Report will ir1cludc (i) preliminary engineering studies and financial analysis regarding the route selection, design, investn1ei1t requirements and other relevant factors to permit the construction of the Railroad and the rehabilitation of the leased areas in the Port, as described in Section 6.7(c), (ii) an evaluation of the feasibility, from technical and financial standpoi11ts, of different power generation alternatives that will enable the Company to con1ply with its obligations under Section 19.3, and (iii) an evaluation, frorn technical and financial standpoints, of do\vnstrea1n processing alternatives, such evaluation to include pelletisation and iron-n1aking. For the purposes hereof, "preliminary~'.\_means (i) with respect to any resource estirnate that will comprise part .of t11e Pre-Feasibility Report, the CRJRSCO Indicated Resource standard and (ii) \Vith respect to all other engineering studies in the Pre~ Feasibility lZeport, the Association for the Advancement of Cost Engineering Inc. (A1\CF:) Class 3 esti1nate standards or equivalent, specifically accuracy range of ±20%, vvith 5- l 5o/o of engineering completed, and 15-20% contingency. The Pre

Feasibility Report for the Bo1ni and Mano River Deposits will be completed, and a copy thereof \viii be provided to the Government no later than the second '

anniversary of the EfTective Date, while the Pre-Feasibility Report fOr tl1e Bea J\.'1ountain Deposit will be completed and a copy provided to the Government no later tha11 the third anniversary of the Effective Date, it being understood the Pre Feasibility Report will be provided for informatio11al purposes only and not subject to approval by tl1e Government. The parties shall discuss in good faith \vhich of any of the povver generation alternatives described in clause (ii) of the second sentence of this Section 4.6 indicated in the Pre-Feasibility Report as feasible Vv'ill be evaluated furtl1er as part of the Feasibility Report and select one of

such alternatives for such furtl1er evaluation.

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 in the Exploration Area of a type covered by its Exploration I,iccnse with respect to such Exploration Area that constitute Indicated Mineral Resources, it n1ay designate by notice to the Minister that all or one or n1orc portions of the Exploration Area are proposed production areas (each, a "Proposed Prq\_duction Arca"). "l'hc Company may give 111ore tha11 one notice under 

'.:1!s '~':': 1 i ;~ .' "' 1 ; ~·, ) !)\_r\_~\_-;\_i~ded tl 1.:J.t, except 3s ;}t:n 111'1 :\_L·~;, 1-~ ur:.-1Ja1! ,\_ tu S..::c tions :i.J(u) und 5.4, au such notice 111ay be given with respect to any portion of the Exploration Area at any time following the expiratio11 of the Exploration Period of the Exploration License. Each such notice shall set forth:

(i) the proposed boundaries of each l)roposed Production Area covered by such notice,

(ii) the nature, location and estimated quality of the Iro11 Ore constituting the Indicated Mineral Resource in such Proposed Production .Area and

(iii) the forn1 in \vhich the Product(s) of the Iron Ore are expected to be rr1arketed by the Co1npany.

F~ach notice \Vith respect to a Proposed PrQduction Area shall be acco1npanied by (y) the report of a Competent Person setting f'Orth his or her conclusion that the deposit(s) constitute Indicated Mineral Resources, and the b<lsis for such conclusion, i11 the form required by the selected C:RJRSCO C:odc for the public reporting of Mineral Resources, and setting forth the scope of any Iron Ore constituting Inferred Mineral Resources located within the Proposed Production Area, and (£)evidence of payment of the processing fee required by Section 16. \(a).

Except as provided in Section 5,.J(a), if no notice designating a Proposed Production Area in compliance \vith tl1e requirements of this Section 5.I(a) and Section 5.1 (b) is delivered to the Minister on or before the expiration of the Exploration Period of the Exploration I~iccnsc, tl1en such Exploration J,icense shall auton1atica!Jy terminate \Vithout requirement of action by the Minister or the Government. F<Jr the avoidance of doubt, the termination of any single Exploration I ,icense shall not affect the (\_~ornpany's right to carry on Ex~loration and Operations in con11ection with the re1naining t~xploration Areas or l)roduction Areas, as the case may be, that are not covered by the Exploration License so terminated. If a!! of 1hc Explor:Jtion J,iccnses have been terminated pursuant to this Section 5.1, then this Agreement shall automatically terminate without rcquiren1cnt of action by the Minister or the Government.

(b) F:\ach Proposed I)roduction Arca (D shall consist of such part of the ~~xploratio11 J\rea as in the light of International 1\1ining Standards is reasonable, taking into account the extent and nature of the Iron Ore or olher Mineral constituting Mineral Resources, for the mining and recovery of such Mineral Resources, including the Retained Production Areas, and (ii) shall forn1 a co1npact block as n1uch as possible, with the borders aligned to the true north-south and east-\vest. A Proposed Production Area 111ay not include Land (i) located within the boundaries of a11y cities, con1n1onv.'ealth districts, 1nunicipal districts, cen1eteries, transportation or comn1unication facilities, aqueducts, 1nilitary base, port, Poro or Sande

grounds, and other grounds reserved for public purposes, except with the (Ji! consent of the officials autho1ized to admmi~t} or control the affairs' of

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::;ti~·-\ ·\_·nt:l; .. :s, :1ud 311bjcct to :~ucL special tern1:s .:•irl 1·\_ .. :·:l1aLlc cor,<iilions as may be prescribed for the protection of surface users; (ii) the use of which for Mining operations would violate Section 10.1 of the Mining Law; or (iii) as otherwise reasonably agreed by the parties. A Proposed Production Area may not include surface areas other than the surface above the Iron ()re constituting Indicated and Inferred Wtincral Resources and any additional !~and reasonably required for the extraction from the earth of such resources. If other land is required to facilitate the processing of extracted Iron Ore, tl1e disposition of \-Vaste materials or other activities not constituting actual extraction, the Company may acquire that land as provided in Section 7.3.

(c) 'fhe Co11111any shall .<>ub1nit to the (Jovernment, v.·ithin 60 days follo\ving the notice given under Section 5.1 (a), detailed n1aps for each Proposed Production Area covered by such notice, based on actual surveys t1sing t11e most current technology, that, \vit11 respect to a Proposed Production Area, set forth the boundaries and coordinates of the area containing the deposits from wl1ich Iron Ore is expected to be Mined. Tl1e maps shall be of such scale a11d contain such detail, including geographical and top,)graphical information, l;D as may reasonably be necessary to identify accttrately the boui1daries of the Iron Ore constituting Indicated and Inferred Mineral Resources \Vithin sucl1 Proposed Production Area ru1d (y) as may otl1erwise reaso11ably be required by the Liberian Geological St1rvey for the tnapping of such Pro11osed l)roduction Area.

(d) If the C:ompany wishes to carry out additional Exploration within a Proposed Production Area it may do so, provided that tl1e work is covered by an exploration work progran1 thal has been approved under the terms of the Exploration Regulations. No budget or annual expenditure requirements apply to stich Vv'ork, 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.

5.2 The Feasibility Report

(a) Unless the Company has complied \Vith Sections 5.4(a) and (b) (implementing the "marginal deposit" provision.'i of Section 5.3(1) of the Mining Law), the Con1pany shall within 18 months of the date of dcsig11ation of an area as a Proposed Production Arca, file \i.rith the Minister, the following:

(i) a plan for the design, production and operation of efficient and economic Nfining, processing, rail transport, port loading, shipping

and n1arketing of Products from such Proposed Production Area

prepared by an internationally recognized mine engineering

consulting firm not affiliated \-Vith the Con1p.:iny or any of its

principal direct or indirect shareholders (the "f'easibility

Consultant") substantially complying with Sections 5.6 tl1rough 5.8

(such plan, together with any and all amendments thereto, the

''Feasibility lZeport"), and



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(iii) a certificate of the cl1ief executive officer of t11e Con1pany dated the date of submission to the effect that(£;:) the Company has complied through the date of such certificate in all material respects witl1 its obligations under this Agree1nent (except as to such defaults in the perfor1nancc by the Company of any of such obligations that have been cured to the reasonable satisfactio11 of, or waived by, the Minister), and (y) the Company is f)fepared to develop the Mine, Mining Plant and Infrastructure i11 tl1e manner set forth in the Feasibility Report (otl1er than as n1ay reasonably be reqtiircd to rcspo11d to facts and circumstances not kno\Vn to the Company at the tin'!.e the Feasibility Report was 1iled), and setting forth the n1anner in which the Con1pany proposes to finance the construction and acquisition of the Mine, the Mining Plant, the I11frastrt1cturc and the related equipment (including the proposed proxin1ate and ultimate sources of such funds).

Except as otherwise provided in Section 5.3(a), the Con1pany's rigl1ts in any l)roposcd Production .l\.rea ti111ely designated uncler and in compliance with tl1e requirements of Section 5:1 (a) a11d (b) expire if the Company docs not tin1ely file tl1c 1naps reqi.tircd by Sectio11 5. l(c) or does not ti1nely file the Feasibility Report and related n1ateria!s as provided in this Section 5.2(a) and in Section 5.2(b).

(b) The r:easibility Report required by Section 5.2(a) shall be accompanied by evidence of the payment by the Conipany of the processing fee 1 required by Section 16.l(b).

( c) If tl1e Compa11y proposes to produce Products from t\VO or n1ore separate sites using similar extractioil techniques and shared processing or beneficiation facilities, a single Feasibility Report shall be required and a single Mining I\_,iccnse shall be issued covering all s11ch sites, subject to the a11proval of the Minister of Finance for the treatn1ent of such operations and facilities as a single "mining project" under the Revenue Code. If the Co1npany proposes to use 1naterially difTerent extraction tcclmiques 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 5.2 ( c) shall require the approval of the Minister of Finance for the treatn1cnt of any operations and facilities as a si11glc "mining project" v.,rhcre such operations and facilities are treated as a single "mining project" pursuant to Section 5.2(d).

(d) Provided that the Company is using "shared infrastructure facilities" for their operations, all (}perations covered and facilities shared by one or more Mining J\_,icenscs granted in respect of the MD,\ shall be treated as (})

' \_,111rlc · n1:n1ng pidJCC(. f;'r t!1e purpos•~:; nf tht.:; !\.cv-.-nuc l~oJc. 1\s used herein, the Company shall be deemed to be using "shared infrastructure facilities" for operations covered by more than one Mining I~icense if such operations un<ler the applicable ivlining Licenses share the use of significant components of the Infrastructure, including shared use of rail. port, or processing j)lant Infrastructure.

(e) If n1ultiplc tv1ining l-icenses are required by Section 5.2(c), and the Company is not using shared infrastructure facilities for their operations, the Ministry \Vil! notify the Ministry of I~inance of the applications of the Co1npany, and the Minister of Finance is entitled to impose such conditions upon such Mining Licenses as the Minister of Finance reasonably deen1s necessary· to cotnply with Revenue Code requirements of separating the costs and expenses of separate "1nining projects". ·rhe Minister of Finance reserves the right to require that a separate con1pany be for1ned to hold each Mining I~icense and related assets if it determines that to be the nlost appropriate means of separating the costs and expenses of separate "mining projects".

5.3 Extension Of The l)uc l)ates For Filing Notices And Feasibility Report (a) The Cornpany n1ay extend for a period of six 1nonths either but not both of

(i) the time for designating Proposed Productio11 J\reas **in** compliance \vith Sections 5. !(a) and (b) or

(ii) the tin1e !Or filing the f<easibility Report and the related materials required by Sections 5.2(a) and (b)

by' payrnent\_, at least 30 days prior to the expiration of the time period othcr\vise applicable, of the extension fee provided for in Section 16.1 ( c) or (d), respectively, provided that the Company n1ay not utilize for any Proposed Production Arca both the postponen1ent provided for in clause (ill of this Section 5.3(a) and the postponement provided fOr **in** Section 5.4.

(b) If, as contetnplated by Section 5.l(a), the Con1pany has ti111ely designated tnore than 011e Proposed Production .i\rea within a single Exploration Area, but believes that devclopnient of one or more of such areas should be postponed as provided in Section 5.4, it 1nay file a f<easibility Report with respect to the areas initially to be developed and postpone the filing of a Feasibility Report for the other areas by con1plying as to those areas with the provisions of Section 5.4.

5.4 .Postponement off'easibi\itv Report.

(a) If the C:ompany believes that the "1narginal deposit" provisions of Section 5.3(1) of tl1e Nlining La\v are applicable to the Iron Ore resources contai11ed in a Proposed Production ;\rea, and has not ti1eretofore obtained an extension under clause (ii) of Section 5.J(a), it rnay apply to the

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!vL11;.- \_c'' ·l-, :<.,,,,-,\_ :-:\_t·\_;\_l'.Cl~ .v1tl1 Sl:·.:tion 5.3(1) t.f 11-,,\_, ;·\_,(i,1u1s L<-1\V \V11-I1in 12 rnontl1s of the date of designation of such f>roposed l)roduction Area under Section 5. l(a) for postponement of the obligation to deliver a Feasibility Report and related materials under Sections 5.2(a) and (b) for up to two years. l'he application shall be accompanied by

(i) a certificate of a Competent Person to the effect that in his or her reasonable judg1nent sufficient information is available about the Nlineral Resource involved to conclude that it is not exploitable under current technical and economic conditions, and the production from Sl1ch deposit cannot reasonably be expected to be sold on con1mercially viable tern1s for a period of at least two years (plus a reasonable period for Mine and Mining Plant constrt1ction) from the date on \Vhich the Feasibility Report is otherv·.rise required to be filed under Section 5.2(a), and

(ii) a certificate of the chief executive officer of the Con1pany to the effect that the Coinpany has given the Con1petent Person referred to in clause CD of this Section 5.4(a) all information available to the c:ompany relating to a detern1ination as to the ;:.;cope and other characteristics of the Mineral Resources included in the such Proposed Production Arca.

(b) The fv1inister shall approve the application unless the Con1pany is at the tin1e -i~1 defaUJt in the perfor1nance of its obligations under this 1\greement in a rnaterial respect. Any st1ch delay period, if approved, \vill operate to extend the dl1c date of the feasibility R\_cport to be filed under Section 5.2(a) for a period of t\vo years fron1 the date originally due under Section 5.2(a) or such lesser period of time as is requested by the c:on1pany.

(c) Not 111ore than 180 and not less than 90 days prior to the end of the initial delay period, the (~ompany 1nay apply for a second delay period of up to two years upon co1nplying in full \Vith the requirements of Section 5.4(a) as though they were applicable by their tcrn1s to a second delay period.

( d) In order to retain its rights in a Proposed Production Area fol!owi11g an approval by the Minister of a delay period, the Co1npany:

(i) shall pay (in addition to the surface rent pa)rablc with respect to such Proposed IJroduction Area as provided in the [{evcnue ('.ode) an annual postponement fee for each year of the delay, as determined in Section 16.l(d), and

(ii) shall file the Feasibility Report, and related 1naterials required by Sections 5.2(a) and (b) applicable to such Proposed Production Area prior to the end of the delay period (or the second delay period, if applicable).

(e) If a payn1ent due under Section 5.4(d)(i) is not 1nadc 1..vhcn due, {>r if a Feasibility Rep{>rt, and related n1atcrials cornplying with Section:;; 5.2(a) and (b) and applicable to such Proposed Production Area are not filed

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<.vhtn ~:l.c pu;·:;uan'. !u Se(.t1z\_,n:) 4\d)(i1), and ~uch Utf;..;l:ll is not cured. within the applicable cure period provided in Section 25.2, all rights of the Company to such Proposed Production Area shall terminate.

(f) If the Cornpany elects to develop one or 1norc of the areas as to which development has been postponed as provided in this Section 5.4, it shall tin1ely file a ne\V Feasibility Report encompassing its entire operation and otherwise complying with the requirements of this Agreement governing tl1e filing and approval of f'casibility Reports. 1bis requirement is to cnstire that the financial and technical capacity of the Company and the environ1nental, social and other impacts of the proposed enlarged operatio11 are considered in their entirety and not on a piecemeal basis. The new Feasibility Iteport shall reflect the actual state of facts as of its date with respect to the develop1nent contemplated by the original Feasibility Report, and n1ay not merely incorporate the relevant provisions of the initial F'easibi!ity I-Zeport. If the ne\V Feasibility Report is filed before the original Feasibility Report is approved, it shall be <lee1ned to replace the original f<'easibility Report. If it is filed at a later date, it shall be deemed an an1endment of the original Feasibility Report.

5.5 Minino [,icense.

l'he Minister will grant the C:on1pany a Class A mining license for the Mining of the Iron Ore proposed to be extracted from each Proposed Production Arca subject to the satisfaction of the following requircm\_ents:

(a) ]'he Company tin1eiy complied with the requirements of Sections 5.l(a) through ( c ).

(b) The Con1pany bas not been notified by the Govern111ent that it is in default in a11y n1aterial respect in the performance of its obligations under this Agreernent or under the t2xploration Regulations except as t<' such defaults f

as have been cured to the reasonable satisfaction of, or waived by, the Govern1nent.

(c) The Company has tin1ely subtnitted a Feasibility Report, in accordance with Sections 5.2(a) and (b) that complies with l11e re<1uircments of Sections 5.6 throt1gh 5.8, and the Feasibility Report has been approved by the Minister pursuant to Section 5.9.

( d) The Con1pany and the Government have entered into an Envirorunental Restoration Obligations Funding Agreement or the Company bas furnished the Environmental Restoration Obligations Guarantee.

(e) 'fhe Company has furnished the Mining Guarantee.

lfthe Con1pany elected to postpone in accordance with Section 5.4 the subn1ission of a Feasibility Report, for one or 1nore but less than all of such Proposed Production Areas as conten1plated by Section 5.3(b), on approval of the amended }'casibility Report as conten1plated by Section 5.4(f), the Minister sl1all amend the Mining l,icense issued in connection with the original Feasibility Report (if \)

previously issued) if the foregoing clauses (b) through (d) have been con1plied 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 /\.1ining 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.

Any failure by the Governn1ent to give notice in accordance with Section 5.S(b) shall not affect the (iovcrnment's rights and remedies under this Agreement to the extent the Cornpany was in default in a material respect in the performance of its obligations or the discl1arge of its liabilities under this Agreement or under the Exploration Regulations which have not been cured to the reasonable satisfaction of, or waived by, the Ciovernment.

(a) 'f'he Feasibility Report for a Proposed Production Area shall con1ply with applicable I~aw and International Mining Standards, shall include the basic technical and financial components described in this Section 5.6(a) and shall also i11clude the additional components set forth in Sections 5.6(b) through (g);

(i) a description of the Iron Ore to be lv1ined, the Mining and 1)rocessing methods proposed to be used, and the quality of the

Product(s) to be marketed;

(ii) a state1nent of the expected Production rates for the Iron Ore to be Mined over the term of the Mining License and for the output of

the expected Product(s);

(iii) a report of a Co1npetent Person setting forth his or her conclusion as to the amount of Iron Ore constituting the Proven Mineral

Reserves and Probable . Mineral Reserves in tl1e llroposed

J>roduction Area, and the basis for such conclusion, and at the

election of the Company, in the form required by the selected

C~RIRSCO Code for the public reporting of Mineral Resources;

(iv) a development plan setting forth the basic design and operating specificatio11s for each proposed Mine and related Mining Plant,

Infrastructure and equipment (the "Development Plan"), vvhich

shall, a1nong other things,

( 1) in1p!e1nent the requirements of Sections 6.6, 6. 7 and 19.3;

(2) include maps at the scale rec1uired 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 cacl1 activity

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(v) (vi)

referred to in Section 6. 7(e) or Section 11.6( c), ( e) or(£) of the Mining Law, setting forth the capacity expected to be available for public utilization, provided that activities described in Section l 1.6(a) or l 1.6(b) of the Mining Law shall be limited to those reasonably' necessary for the

implementation of the Develop1nent Plan;

(3) include a capital development plan (in reasonable detail);

(4) include the capacity demonstration measures required by clause (ix) of this Section 5.6(a);

(5) include a construction (or acquisition), completion and commencernent of operations schedtde for each proposed Mine and all related Mining Plant, Infrastructure and

i:quip1nent proposed in the Development Plan

(6) include a timetable for development as follo\VS: Bomi - completion of construction and acquisition no later than September 30, 2016 and commencement of production no later than October 30, 2016; Mano - completion of

construction and acquisition no later than September 30, 2018 and commencement of pr()duction no later than

()ctober 30, 2018; and Bea - completion of construclion and acquisition no later than September 30, 2021 and

co1n1nence1nent of production no later than October 30, 2021;

(7) include final engineering studies and financial analysis regarding the route selection, design, investment requirc1ncnts and other relevant factors to permit the ex1Jansion of the Railroad and ~le Port as described in Section 6. 7 (for the purposes hereof: "final" rnea11s AACE Class 2 estimates or equivalent, specifically ± 1 Oo/o accuracy, 30-35o/o ·of engineering co1npleted, 10-15% contingency); and

(8) include a construction, completion, and corrunencement of operations schedule for the power generation alter11alive selected by the parties pursuant to Section 4.6 (the "Power Plant");

a plan for Operations (an "Operations Plan") that sets forth the Co111pany's plan for operating each proposed Mine and related Mining J1!ant, Infrastructure and equipn1ent, incl11ding expected staffing rcquire1ncnts and implements the requirements of Sectio11s 6.6 and 6.7,

a plan for 1narketing and selling the Products (including projected principal custon1ers and projected 1ncans oftrans1Jorting Product(s) rrom Liberia to such customers) for the Mining 'ferrn. (q .-,



(viii) 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 EMl), the SIA and the SAP;

and

(ix) a program for capacity verification and testing to demonstrate that the princi11a] co1nponents of each proposed Mine and related

Mining Plant, Infrastructure and equiprnent have substantially the

operating capacities set forth in the Dcvelopn1ent }Jlan, whicl1 shall

demonstrate that the completed facilities have the capacity to

perforn1 as specified in the Feasibility Report.

(x) If the ivline, Mining Plant and Infrastructure are designed so Lhat

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

con11)arablc testing of such portions of such facilities based on their

intended capacities. Thus, if the Feasibility Repo11 and the

Deve)Oj)n1ent l)la11 provide for a t\.\'O~stage <levelopme11t, with

transport and port facilities initiat!y being sized for one Mine and

are later to be expanded to provide for a second (or expanded)

l'vline, the capacity de1nonstration tests for the transport and port

facilities sha!l be conducted once at the Jovver capacity levels and,

upon co1np!etion of any eXpansion, at the higher capacity levels.

(b) The Feasibility Report shall include an Environmental Irnpact Assessment Study fZeport ("EIA") and an Environmental Managen1ent Plan (".EI\.:1..E.")

complying \.Vith Section 5.7 and applicable rJa\V, prepared by an internationally recognized independent environn1ental consultant 11ot

aff~iliatcd with the Co1npany or any of its principle direct or indirect shareholders, as filed by the Con1pany with and approved by the EPA.

(c) l'he Feasibi!ity Report shall include a Social Impact Assessment ("SI1\") and Social Action T1lan ("\_BAP") corr1plying with Section 5.8 and applicable Law.

(d) The Feasibility Report shall include (i) fi11al engineering studies and fina11cial analysis regarding the route selection, design, investment requiren1ents and other relevant factors to permit the expansio11 of the IZailroad and the I)ort as described in Section 6.7; and (ii) a n1ineral value added study that assesses possible further value addition \.\'ithin Liberia to Iron Ore iY1ined by the Co1npany, including pel!etization of such Iron Ore and identifies the critical conditions for reatization of such do\vnstream investn1ents.

(e) l'he Fcasibilit)' 1-Zeport sl1all include a project linkages plan that (i) identifies the potentials for local suppliers, contractors and service providers to service Lhe project, (ii) identifies key interventions to gro\v the n1inerals input industrial sector, and (iii) sets out a project local purchase 01 ' ' JJ j

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pi-.t-'-., 'lh ~ic:1r I.'11!c.';tn11L'S :;lv,nt'.ficJ i:~ ler1n:: *oi* e1, :.ncre,<.tsing percentage of local pttrchases of goods an<l 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 fro1n other sources);

(1) crhe Feasibility Report shall include a skills and tecl1nology development plan that contains an annual projection of the Company's commitments to the developn1ent of local human resources and planned expenditure on research and devclotJment within Liberia and the region indicating how tl1e Company proposes to discharge its obligations under Section 11, including detailed plans and programs for the recruitment a11d training of citizens of Liberia, including tin1etables and schedules, in co1111ection with the construction and operation of the proposed Mines, Mining Plant and Infrastructure.

(g) 'fhe Feasibility Report shall include a confirmation fron1 the Feasibility Consultant substantially to the effect that:

(i) the Company has the design, procurement and co11structi<Jn 1nanagen1cnt capacity necessary to implement the proposed Deve!op1nent Plan, or has identified contractors with which it will contract for the design, procurement and prod11ction of each proposed Mine and related Mining Plant, Infrastructure and equipment that have the capacity to carry oU:t Sl1cl1 activities;

(ii) the Cornpany has the management capacity to operate each proposed N1ine and related Mining Plant, Infrastructure and equip1ncnt in accordance with the proposed Operations Plan;

(iii) each proposed Mine and related Mining Plant, as designed, will if construyted in accordance with the designs and maintained in accordance with good 1naintenance practices, support the plam1e<l operating levels of such Mine as set out in the Feasibility Report;

(iv) the f{ailroad, Port and Po\ver Plant, as designed\_, v.'ill, if constructed in accordance with the designs and maintained in accordance with good operating practices, (A) support the transport and loadout of the projected production capacity of each proposed Mine for the tern1 of lhis Agreement assuming each sucl1 proposed Mine and its related Mining Plant are operating at the design levels specified in the propi)Sed Development Plan; (13) \Viii have at least the excess capacity required by the terms of this Agreement and (C) \viii have such additional useful life following the tcrn1ination of this Agreement as set forth 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 cone! usion that the sites of such proposed Mining Plant and Infrastructure are suitable for the construction and operation of

those fa.cilities;

(vi) the EIA done in conncc11on with the proposed siting of, and the subsequent operations of, each proposed Mine and related Mining

Plant, Infrastructure and equipment vvas conduct~d in a 1natter

co11sistent with the World Bank «Environmental I-Iealth and Safety

Guidelines for Mining" and other\vise co1nplics \Vith the

requiren1cnts of Section 5.7;

(vii) the design of each proposed Mine and related Mining Plant, Infrastructure and equipment is in accordance "\Vith contemporary

best practice for the design of n1ines and related fac1litics of si1nilar

size and type and is appropriate for the cli1nate and geography of

[,iberia, and the Company has under license fron1 the GovcrI11nent

or has otherwise acquired rights to sufficient I,and (;s.) to·

accon1n1odate in an environmentally sound manner in accordance

\vitl1 International Mining Standards and applicable i.a\v all 1\1ining

Plant and Infrastructure expected to be necessary for the Mining

and all proposed processing of Iron Ore in accordance \.vith the

proposed Developrnent Plan, (y) reasonably to insulate sun·ounding

areas in accordance with International Mining Standards fron1

possible adverse irupacts of Operations, and (z:) to provide for al!

activities proposed to be undertaken as part of its ongoing

cnvironruental protection plan;

(viii) the completion verification procedures set forth in Section 6.1 and the capacity demonstration procedures set forth in the proposed

Dcvelopn1cnl Plan are sufficient reasonably to dc111onstrate that

each proposed Mine and all related Mining Plant and Infrastructure

have been con1plcted 10 accordance \Vith the proposeci

De"\1elopn1ent Plan and can reasonably be expected to have the

operating capacity specified in the proposed Development Plan;

(ix) the J-<:MI), if in1plemented as proposed, will limit the like)y an1ount o[ environmc11tal damage to limits established in the World Bank

"Environmental Health and Safety Guidelines for Mining", the

Compa11y's 1nine closing jJlan meets the standards established by

World Bank "Environmental fiealth and Safety Guidelines for

l\.1fining" a11d the estimated cost for such plan ("\1al11ed in current

dollars) is reasonable, and such plan otherwise con1plies with the

rec1uire1nents of Section 5 .7; and

(x) the 1nineral value added study referred to in Section 5.6(d) fairly assesses the costs of possible adding further value in I ,iberia to the

output of each proposed Mine and identifies and reasonably

guantiftc::; the critical conditions for the realization of such

do\Vl1strean1 investznents.

If the Con1pany's I7easibility Consultant is unwi!ling to provide a confirn1ation with respect to any matter set forth in any of tl1e foregoing clauses of this Section 5.6(g), the Company shall arrange for such confi.rn1ation to be provided by a separate internationally recognized

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rnining engineering or other firm with appropriate expertise not affiliated with the Con1pany or any of its principal direct or indirect shareholders.

(h) Any a1nendment to a Feasibility Report shall be permitted Clnly if it results in such Feasibility Report, as so amended, con1plying \vith the requirements of Sections 5.6 through 5.8.

5.7 The Jlnviro11111ental Impacl Assessment Study Report and tl1e Enviro11!\_1l~1tal Manage1nent Plan.

(a) The EIA and the EMP shall comply with applicable requircrncnts i1nposcd by the EPA and with this Section 5.7. 'fhe EIA shall at a r11inin1um identify pre-existing environmental conditions and set forth the potential adverse in1pact of the co11struction and operation of the Mining P!ant and the Infrastructure proposed in the Feasibility Report shall take into accoltnt all activities or improvements to be undertaken by the Co1npany and

- referred to in Section 6.7(d), 6.7(e) or 11.6 of the Mining I~aw, and shall otherwise co1nply witl1 applicable Law. The EMP shall at a n1inimun1 set forth detailed plans consistent with the EIA for the mitigatio11 of environmental harm attributable to, and the restoration or remediation of the enviro11ment to the extent affected by, the implen1entation of the Development Plan and subsequent Operations, including tl1e actions to be take11 by the Co1npany to comply with Sections 8.1 through 8.3 of the M'ining Law, Internati9nal Mining Standards .and other applicable La\v, and shall in any evehf con1ply with applicable EPA rcquire1ncnts and Section 5.7(b).

(b)

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cfhe El'vlP must include a closure management plan and a closure managen1ent budget designed to ensure that upon closure (i) each proposed Mining P!ant and Infrastructure shall not present any health or safety issues (including provision for the control of acid drainage and otl1er Jong

tern1 environmental hazards) and (ill each Proposed Production Area and the surroundings of any Mining Plant or Infrastructure not locuted in such Proposed Production Area shall be restored to productive use or reforested or where restoration is impractical, suitably remediated. ·rhe closure management plan rnust include a list and assessment of risk and any u11certainties associated with the preferred closure option, address the social aspects of closure and rehabilitation, and provide a process for participation by the community and other stakeholders in closure management and 1nonitoring. 'fhe closure managen1e11t budget shall provide a realistic initial estimate of the expected closure cost, broken down by principal activities. Notwithstanding any other provisio11 of this Agreement or applicable law, the Government acknowledges that the Bomi and Mano River Deposits have been mined in the past by third parties, and that notl1ing in this Agreement shall irnpose on Co1npany, its Shareholders or any of their affiliates or subcontractors any such closure or other responsibilities or obligations with regard to or emanati11g fron1 work performed in such sites by third parties.

(c) The EfVIP rnust also set forth the means by which the C'.on1pany proposes to ensure the availability of funds to finance its enviroru11ental restoration



and ren1cdiation obligatio11s under Sections 8.2 and 8.3 of the Minirig Law (the "EnvirQrin1cntal Restoration Obligations") so that the cost of closure v.1ill be borne \)y tl1e Company and not the public or the Govcrnn1ent. The Co1npany shall, at its election, (i) agree in \\-Titing with the Governn1ent to a "pay-as-you-go" funding scheme (such agreement, an "E.rivironin\_~ntal Restoration Obligations Funding Agreement") or (ii) provide financial support (an "Environme11tal Restoration Obligations Guarari\_tee") for such obligations in the [01111 of a letter of credit in form and content reasonably acceptable to the i\1inister of Finance and the Minister issued on behalf of the (~on1pany fro1n a third party financial institution with a long-tern1 credit rating of at least A (or its equivalent) fron1 at least t\vo internationally recognized credit-rating agencies and providing for redetermination of estimated closure costs at least once every three years and correspollding adjust1nents in the amount of the letter of credit in arnount re;:isonahly ;;tcceptable to the Minister of Finance and the Minister. In the case of third party credit support, if the party supplying the letter of credit i10 longer bas a long-term credit I'ftting of at least A (or its equivalent) fron1 at least two internationally recognized credit-rating age11cies, the letter of credit must provide that if the Comi)any does not 'lvithin 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 n1ay be called upon for the· maximu1n amount then available thereunder, subject to the requirement that such an1ount be deposited in a trust account from which it rnay be withdrawn only for the purposes of financing the Company's environn1ental restora-iio·ri and re1ncdiation obligations. Nothing in this section shall be deemed to limit the (~01npany's obligations or liability for environn1ental restoration and remedial ion under applicable Law.

(d) 1'hc Con1pany shall have held public hearings on the l~J/\ and the El\/IP at least in Monrovia, in the county seat of each county in which a Proposed Production Area is located ancj. in the county seat of each county in which the rzailroad, Port, Power Plant or any road described in Section 6.6 is located or to be located, and shall have included as pa11 or the Feasibility Report a statcme11t of the means taken to publicize the hearings, an indication of the numbers of persons who attended such hearings and tl1eir aliiliatcs, a sumn1ary oftl1e issues raised at such hearings, and a discussion of the actions taken by the Company in response lo such hearings. The Ministry may set forth by regulation additional standards consistent \Vith accepted practice in OECD countries for the location of, notification of and conduct of such hearings.

5.8 ~ocial Impnct Assesso1cnt and Social Action Plan

(a) 1·1ie SIA shall set forth the potential adverse impact of the construction and opcralion of each proposed Mine, and the related Mining Plant and Infrastructure on the individuals and commu11ities resident i11 and around (i) each Proposed Production Area and any Mining Plant or Infrastructure not located within a Proposed Productio11 Arca, or (ii) areas affected by the proposed processing or transport of Product whether using Company

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provided Infrastructure or equipment or facilities or equipment provided by the Ciovcmrnent or third parties.

(b) The S,i\P shall set forth reasonable measures, in light of the costs involved, for the mitigation of the adverse impact referred to in Section 5 .8( a) above, as well as making provision for the continuing cconornic and social viability of ce11ters of population that have formed and which may form as a result of Operations during the term of this Agreement. 'fhe SAI> shall incll1dc a Resettlement Action Plan ("RAP") component if communes located in or adjacent to each Proposed Production Area or to Mining PlmJl or Infrastructure not located in the Proposed Production Area should u11der International Mining Standards be resettled for health or safety reasons. 'fhe RAP shal! provide for (but not be limited to) sttitable arca(s) of resettlement to be undertaken at Company expense with key en1phasis on shelter and livelihood continuity.

(c) The Co1npany shall have 11eld public hearings on the SIA and the SAi) at least in tvlonrovia, in the county seat of each county in which a Proposed Production Arca is located and in the county seat of each county in which the fZailroad, Port, Power Plant or any road described !n Section 6.6 is located or to be located, and shall include as part of the Feasibility lleport a statement of the 1neans taken to publicize the hearings, an indication of the nun1bcrs of persons who attended such hearings and, to the extent kt1own to the Con1pany, the names of tl1c organizations sucl1 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. 'l"hc Ministry may set forth by regulation additional standards consiste11t vvith accepted practice in OECD countries for the location of, notification of and conduct of such hearings, and n1ay establish generally applicable requirements for third party review of the SIA and tl1e SA!) co1nparable to the technical review of the !)cvelopn1ent Plan and Operations Plan undertaken by the Feasibility Consultant.

5.9 Approval of the Feasibility Report and Gra\_nt of Mining [,icense.

(a) The Minister 1nay, within 90 days of receipt of the Feasibility Report (the "Revie\V Period"), (i) appoint independent consultants and/or bankers, at the Gover111nent's own cost, to assist in its revieVv' of the Feasibility Report, (ii) reasonably request additional information with respect to any aspect of the :Feasibility necessary to satisfy applicable requirements of this Agreement and upon the provision of such additional informatio11 by the Con1pany, the Review Period shall recommence unless otherwise agreed with tl1e Minister, and (ill) recommend reasonable changes in any component of the Development Plan to the extent the Minister decrns the changes necessary to satisfy applicable Law on the requiren1ents of this Agreement. In tl1e absence of notice from the Mi11ister that the Feasibility Report is incomplete, the Feasibility Report shall be deen1ed to tie 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, lnfi·astructurc

ui1J cqutp1ncnt tn accordance with the Develop1ncnt Pian 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 1nodificd by this Agreement) which have not been cured to the reasonable satisfaction of, or waived by, the Govcrnn1ent, and provided that immediately following the issue of a Class A mining license pursuant to Section 5.9(g) the Con1pany shall comply with Section 20.4, the Minister shall approve the Feasibility Report, or the Feasibility Report as an1en<led, as the case may be, if:

(i) the Feasibility Report and its specific components comply \vith the provisions of the Mining Law and the terms of this Agrcen1ent;

(ii) the EPA has approved the EMP and the ETA as co1nplying with the require1nents of this Agreement, Intcrnatio11al Mining Standards and applicable I~a\v, and

(iii) each of the EMP, the EIA, the SIA, the SAP, the I)roject Linkages P!an and the Skills a11d Technology Development Plan have been generally n1ade available to the public for at least 60 days prior to the date of approval of the Feasibility Report, including by \Vay of (A) posting thereof on-line on a Goverrunent provided \.vebsite, CB\_) n1aking available copies thereof fo.r examination at the: relevant 1ni11istries duri11g normal business hours, (Q) publishing notice of such posting and avallabaity in one or more nev.'spa1)crs of wide circulation in Monrovia and (Q) publishing a su1nmary thereof in one or inore of such ne\vspapers provided that to the extent the Government does not effect (A) or (B) above \Vithin 45 days of being provided the relevant documents by the Company for such purpose, the Con1pany shall not be required to have complied with those provisions.

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{iv) tl1e capital expenditure plan shows that t11e Con1pany's debt/equity ratio taking into· accoUnt initial working capital at the com1nence1ncnt of regular commercial operations sl1a!I not exceed 3: 1,

(v) the Con1pany has provided an opinion of an internationally recognized investment banking fir1n to the effect that it has reviewed the Company's plan to finance the construction, equipping, start-up and entry into con1mercial production of each proposed Mine and all related Mining Plant and Infrastructure, and tl1at, in its professional judgment, it is reasonable to conclude th~-it tl1e Co1npany has available to it the financial resources necessary to carry out a!! such activities in keeping with the schedule a11d other ter1ns of the Feasibility Report, the 1:easibility Report as a1nended\_, as the case 111ay be, and this Agreement (such repo11 to specify the bases for its conclusion), provided that to the extent the conclusion of such investn1ent banki11g firn1 is based on funding to be provided by or through the Company's shareholders or their related Persons,



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such shareholders or related Persons shall have agreed with the Government to be jointly and severally liable to provide fundi11g to the Company 1 and

(vi) Section 6.8 of this Agreement has been arnended to reflect all modifications thereof reasonably requested by t11e Government so that the reporting obligations set forth therein arc appropriately tailored to the specific type of Mine(s) covered by the Development Plan .

( c) Any failure by the Government to give notice to the Cornpany in accordance with Section 5.9(b) shall not affect the Government's rights and ren1edies under this Agreement to the extent tl1e Company was in default in a n1aterial respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration f{cgulations (as n1odified by this Agreement), \Vhich have not been cured to the reasonable satisfaction of, or v-.raived by, the Governrnent.

(d) The iv1inister shall be deemed to have approved the Feasibility Report unless the Minister l1as notified the Con1pany in v.Titing of the reasons for disapproval not later than 60 days after the end of the Review Period. Following an)' such disapproval and the resubrnission by tl1e Company of an an1endcd, modified or supplemented application for a Class A tni11ing

license or Feasibility Report, the Minister shall he deemed to have approved the Feasibility Report unless within 60 days of such amcndrnent, 1nodification or supplen1ent the Minister has notified the (~ompany in \vriting of tl1e reasons for disapprovaL

(e) [n the event the Minister has given the Con1pany timely notice of its disapproval of the Feasibility Report (a "Disapproval Notice," and such disapproved Feasibility Report, a "Disapproved Feasibility Report"), the Con1pany and the Ministry shall discuss in good faith (i) what, if any, an1cndn1ents, modifications or supplernents to the Disapproved Feasibility Report \vould make the Feasibility Report acceptable to the Ministry and (ii) what would constitute a reasonable period of time for the Co111pany to Stlbmit to the Ministry for approval a Feasibility Report as so amended, 1nodified or supplemented. In the event that the patties fail to reach agreement 'vith respect to tl1e matters described i11 the foregoing sentence within 180 days of the date of the Disapproval Notice tl1c parties shall jointly appoint an expert who is a 1nining industry professional with substantial working experience in the conduct of teasibility or related studies who shal! deter1nine: (D what, if any, an1endn1ents, 1nodifications or supplements to the Disapproved feasibility Report should be made such that the an1ended Feasibility Report should be approved pursuant to this Agreement; and (ii\_) \Vhat would constitute a reasonable period of ti1ne for the Company to submit to the Ministry for approval a Feasibility Report as so amended, modified or supplemented.

(t) If the C~on1pa11y fails to submit to the Ministry for approval an ainended, 1nodified or supple1nentcd Feasihility f{eporl within the ti1ne period (i) *n* (

agreed by the parties, and has failed to cure such default \Vithin the

~1ppuc~1bie ..:urc p~r1od pruvi<led in Section 25.2, or CU) detcrn1ined by the expert in accordance with Section 5.9(c) (to the extent the expert determines that such amendment, modification or supplen1ent to the Disapproved Feasibility Rep011 is required), all rights of the Company to the Proposed Production Areas covered by the Disapproved Feasibility Report may be tern1inated by the Government upon prior written notice to the Company and all right, title and interest in the [)isapproved Feasibility Report shall auto1natically vest in the Government subject to the Con1pany continui11g to be able to use such information in connection with other projects in I.iberia. 'fhe provisions of Section 5.9(c) or (f) do not impose any obligation upon the Minister to approve any a1nended, modified or st1pplen1ented Feasibility Report, it being understood that all requiretnents of this Section 5.9 shall apply thereto.

(g) No later than five Business Days following the latest to occur of the conditions set forth in Section 5.5(a) through (e), the tvfinister shall grant the C:on1pany a ivlining License covering each T)roposed Production Arca covered by the approved .Feasibility Report. In the case of the approval of

a Feasibility Report filed as contemplated by Section 5.4(f) that proposes to add additional Proposed Production Areas to Production Areas for 1,vhich a lv1ining License has already been issued, the Minister shall amend the Mining License to include the additional 1-1roposed Production Areas. Each Production Area so cov'ered by a Mining l,iccnse is an "approved Production Area" for the purposes of this Agreement. lJnless expressly ot11erwise }Jrovided in this Agree.ment, if there is a conflict hetween the tern1s of any Regulations and the terms of this Agrecn1ent, the.tcrn1s of this Agreement shall prevail.

5.10 crerm of ivlining I ,icenses.

(a) The term uf any Mining I,icense granted to the Co1npany under this Agreement shall cornmence on the date such license is issued and shall end on the earlier of (i) the date the Mining License is relinquished pursuant to Section 5.10(c) or (ii) the date the Mining License is tern1inated pursuant to Section 25 (the "Mining Tern1"). ·rhe Company is entitled to renew any Mining License for consecutive additional terrns not to exceed 25 years each if the (~01npany has complied \.vith all of its payn1ent obligations under this Agree1nent and under the Ilevenue c:ode, and the Goverrunent has not notified the Company that it is in default in any n1ateria! respect with its other obligations under this Agreement or the tvfining I,aw, other than any defaults which have been waived by, or cured to the reasonable satisfaction of, the Gove111n1ent, if:

(I) the c:on1pany demonstrates that there co11tinues to exist in one or more approved Production Areas Proven Mineral Reserves of Iron

Ore in .sufficient quantities to support continued 1nining for at !east

80(Yo of the renewal tern1 requested by the C:o1npany (assu1ning no

interruptions to production),

(ii) if the continued operations will invo\,1c significant additional invest1nent or significant changes in production processes *(i.e.* a

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iunda1ncnta! change in the technology or operation of any major component of its Operations) the Company has delivered an updated Feasibility Report setting forth the Company's development and operations plans for the extended term and which otherwise complies with the requirements of Section 5.6 through Section 5.8, and

(iii) the Co1npa11y satisfies such other conditio11s as are rel1uired by applicable Law.

The Con1pany n1ay apply for renewal <lf 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.

(b) Any failure by Ll1e Government to give notice to the Company in accordance \Vith Section 5.JO(a) shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a 1naterial respect in the pcrfor1nance of its obligations or the discharge of its liabilities under this Agreen1ent or under the Mining Law (as 1nodified by this Agreeinent), which have not been cured to the feasonable satisfaction of, or waived by, the Government.

(c) At any tin1e following the issuance of the Mining License, the Company n1ay file a request with the Govern1ncnt to relinquish tl1e Mining License as of a date specified therein. Such request shall be filed at least 180 days prior to the desired relinquishrnent".date and shall include the Company's confir111ation of its obligation to, and willingness to carry out, the approved closure ma11agement plan app!icab!c to tl1e Operations carried out under the Mining Lic{:nse and payment of the processing fee described in Section l 6.1 (f). 'fhe (.Joverr1rncnt shall approve such request if

(i) on or prior to the date of such notice and on or prior to the date of the issuance of the Government's response to such request, the Governrnent shall not have notified the Company that the Con1pany is in defJ.u1t in any material respect in the performance of its obligations or the discharge of its liabilities under this Agreement, wl1ich defaults have not been cured to the reasonable satisfaction ot~ or waived by, the Government, and

(ii) the Minister, the tvlinister of Finance and t11e head of the EPA have reasonably deter1nined that the arrangements n1ade by the c:oinpany for funding the performance of its approved closure 111anagement plan are sufficient to secure such pcrforn1ance,

(iii) the l~xploration Guarantee (if applicable) has not been revoked and the Exploration Guarantor satisfies the Exploration Guarantor Net Worth Rcquirernents,

(iv) the Environmental Ilcstoration Obligations Cruarantee (if applicable) l1as not been revoked and the guarantor thereunder remains an ,i\cceptable Third Party Financial Institution, and

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(v) the Mining Guarantee has not been G-uarantor satisfies the Mining !Zcquircments,.

revoked and Lhe Guarantor Net

ivf ining Worth

The Govcrntnent shall notify the Company of its decision no later than 120 days following the date of filing of such request. If the Gover1unent grants such request, the Mining License shall be relinquished as of the date requested by the Cor11pany, provided, that, on sucl1 date, there is no pay1nc11t dei'ault and no other material default un'v\.'aived by the Govcrn1nent in the pcrforn1ance by the Company of' its obligations under this Agreen1cnt. Upon relinquishment of the Mining 1 .... icensc this Agreen1cnt shall terminate and all provisions hereof relating lo tern1ination, including Section 26, shall apply.

(d) Not\vithstanding the relinquishment of a Mining I,icense pursuant to Section 5.10( c ), the Company shall rernain liable to the Governinent for all obligations and liabilities that aCcrued prior to the date set as the effective dute of rclinquishrr1ent and have not been \vaivcd by the Govcrnn1ent. lJpon relinquishment of a Mining I.icense, all right, title and interest in the Feasibility Reports or portions thereof covered by such Mining L,ieense shall auton1atically vest in the Government subject to the Company continuing to be able to use such infortnation in connection v.,·ith other projects in L.ibcria.

5.1 l /\d<litiooal .Capital Invcs!Jncnt or Material Changes in Operations.

If the Co111pany proposes additional investment relating to changes ir1 Mine operating technology or procedures, which investn1eni (i) exceeds 20°/o of the invcstn1ent an1ount provided for in the initial Feasibility Report or (ii) \Vhich investn1ent constitlltes a fundamental change in the technology or operation of any n1ajor cornponcnt of its ()pcrations or a substantial expansion of the output of the Mine, it n1ay not 1nake such investment until it has delivered and the Minister has approved in the n1anner provided in Section 5.9 an updated l~easibility 1-Zcport setti11g forth the Con1pany's development and operations ph:ins and otherwise co1nplying with the requiren1entS of Section 5.6 through Section 5.8. If the Co1npa11y proposes to 1nake substantial changes in its n1cthods of Operations that \Vould i11aterially affect en1ployment or could materially affect the environment or the social structures of the co1n1nunities in the area affected by such changes, it may not do so ttntil it has updated its F,IA, EMP, SIA and SMP, and the plans referred lo in Sections 5.6(c) and 5.6(t) to ref1cct the consequences of such proposed changes, such plans have been made available for public comn1ent for at least 60 days in the 111anncr required by clause (iii) of Section 5.9(b), and the Minister (!he EJ>A in the case of the EIA and the EMP) has approved such plans, such approvals not to be unreasonably withheld or <lelaye<l.

SECTION 6 CONSTRUCTION AND OPERATIONS

6. l Capital J:-:xpendjtures; Construction.

(a) lJpon the issuance to the Company of a Mining License pursuant to Section 5, the (\}n1pany shall incur capita! expenditures ~1nd con1n1cnce,

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continue and cause to be completed construction, acqu1s1t1on and installation of each proposed Mine and all related Mining Plant, Infrastructure and equipment, all in accordance in all n1al':'rial respects with the schedule set forth in the Developrnent Plan contained in the approved Feasibility Report relating to such Mining License, and shall cause the capacity demonstration tests provided for in Section 6.2 to occur \vithin the period of ti111c provided in Section 6.2. 'fhe Con1pany may not make 1113.terial changes in the Development Plan unless it applies for and receives tl1e approval of the Minister to apprbpriate an1endn1enls to such plans, and to the extent applicable, the Feasibility Report and the related plans, reports and studies provided for in Sections 5.6 through 5.8, which approval shall not be unreasonably withheld. Any such application shall be accon1panicd by the processing fee required by Section 16.1 ( e) or (£), as applicable.

(b) Prior to undertaking any required first stage capacity dc1nonstration test set forth in Section 6.2, the Company shall deli\'er to the Minister:

(i) a certificate of the Feasibility Consultant to the effect that

(/\) sttch firm has reviewed the approved feasibility Report, the

Development Plan and the records of tl1e Company

pertaining to the construction, acquisition and installation of

the installations, plant and equipment covered by such

capacity test and has inspected the same, and

(B) based on such review and inspection s11ch firn1 believes that

the construction, acqt1isition and installatio11 of such

installations, plant and equip1nent have been completed in

accordance in all material respects with the designs, plans

and specifications contained in the Develop1nent Plan or

otherv.,1ise forn1ing the basis,,of the approved Feasibility

Report (except to the extent not scheduled for co1npletion

until after the commencement of production of 1narkctable

Iron Ore in ·the coffimercial volumes contemplated by the

Feasibility Report), and

(ii) a certificate of the chief executive officer of the Con1pany to the effect that the construction, acquisition and installation of such

installations, plant and equipment have been completed in

accordance in all material respects \vith the designs, plans and

specifications contained in the Development Plan or otl1erwise

forn1ing the basis of the approved Feasibility Report (except to the

extent any portion thereof is not scheduled for co1npletion until

after the con1menccn1ent of production of marketable Iron Ore in

the cornn1ercial volumes contemplated by the Feasibility Report).

(c) Prior to undertaking, any second stage capacity demonstration tests set forth in Section 6.2, the (~on1pany shall deliver to the Minister:

(i) a certificate of the 1:;easibility Consultant to the effect that

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(/~) ::.uch 1·Jrn1 has revie'\'veci the: appiu\ed \_Fcac,ibility Report, the

Dcvelopn1cnt Plan and the records of the Company

pertaini11g to the construction, acquisition and installation of

al! Mines and all related Mining Plant, Infrastructure and

equipment provided for i11 the approved Feasibilit)' Report

and has inspected the same, and

(B) based 011 such review and inspection such firn1 believes that

the construction, acquisition and i11stallation of all Mines

and all related lvfining JlJant, Infrastructure and equip1nent

have been completed in accordance in all material respects

with the designs, plans and specifications forrning the basis

oCthc approved feasibility Report, a11d

(ii) a certificate of the chief executive officer of the Company to the effect that the construction, acquisition and install::ition of all Mines

and all Mining Plant, Infrastructure and equiprnent have heen

con1pletcd in accordance in all n1aterial respects \.vith the designs,

plans and specifications forrning the basis of the approved

Fensibility Report.

6.2 c:o1nplction.

(a) With respect tu each proposed Mine, vv·ithin 180 days of the scheduled cornpletion date thereof set forth in the f)evelopment Plan (subject to delay on account of f'orcc 111ajeurc), the Comj)any shall den1onstrate, through perfonnancc of the proposed capacity dcn1onstration testing prograt11 set forth in the Fe~1sibility Study, that the Mine and al! related Mining Plant, Infi·astructure and equii-11r1ent have substantially the operating capacities set forth in the [)eveloprncnt Plan. As noted in Section 5.6(a), required extended capacity dcn1t)nstration covering 1najor coinponents of the Mine, Mining Plant and Infrastructure may be conducted separately. "l'hus, if the Feasibility Report anJ the Developmc11t Plan call for a t\vo-stage dcvelopn1ent, \vith the initial stage being cornpletion of a Mine, with the initial Iron ()re processing facilities and railroad and port facilities tailored to the capacity of that Mi11c, follov·icd by a second stage encompassing the developn1ent of a second (or expanded) Mine and upgrade of the Iron Ore processing facilities, railroad and port, each capacity dcn1onstration test for the first .stage Mine, r-..1ining Plant, Infrastructure and equip1nent shall be co111p!eted \Vi thin 180 days of the stage one scheduled con1pletion date for the co1nponents covereU by that test, and each capacity demonstration test for the second stuge shall be completed within 180 days of the stage two scheduled con1pletion date for the con1pone11ts covered by that test.

(b) ·rhe Con1pany shall give the Ministry notice oC and the opportunity to hnve representritives \vitness, a!l testing required by the Deve!op1nent Plan and shall evidence the satisfaction of each con1pPncnt of the required capacity de111onstrations by the tirnely delivery to the l\!tinister of a ce11ificate of the Feasibility c:onsultanl LO the effect that the c:on1par1y h<1S successfully con1pleted such component of the capacity de1nonstration progran1 and bas dcrnonstratcd the capacities required by such con1ponent

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(setting out the rcqu1re1nents and time period covered by the

demonstrations and certifying specitically as to the actual results of the

demonstrations).

( c) The Company shall pay n1inimum Royalties under this Agree1nent based on the greater of actual Iron ()re shipments and assumed shipinents equal

to 80% of design capacity as set forth in the approved Feasibility Report

from the outside day set forth in the first sentence of Section 6.2(a) for the

ca11acity demonstrations required by Section 5.6(a)(ix) until the date on

whicl1 such capacity demonstrations have been certified as required by this

Section 6.2. So long as the Company complies with tl1e preceding

sentence there are no other consequences for the f3ilure of the Company to

.satisfy the capacity· demonstration requirements.

6.3 iv1ining Tern1 Qp\_crations.

(a) All Mining, processing or-treatment of Iron ()re by the Coinpany shall be conducted in accordance \Vith International Mining Standards and

applicable J,a\V. The Co1npany undertakes to use all reasonable efforts in

accordance with such standards and law to maintain the production of

111arketable Iro11 Ore of the quality and in tl1e quantity contemplated by the

Feasibility Report, provided it is econo1nically and technically feasible to

do so.

(b) 'I"he Con1pany may nol undertake any activity referred to in Section 6.7 or 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 v.-'ithin a Production Area or an area i11 wl1ich the Company is

other\visc entitled hy l~a\v and by agree1nent with any relevant Landowner

to carry 011 such activities. The preceding sentence does not authorize the

Cotnpany to take a11y action that would violate Section 10.1 of the l\tfining

la\v. The (/01npany may not transfer to any Person ti111bcr removed from

lhc I.and pursuant to Section 6.7(d)(4) or 1 l.6(a) of the Mining I.aw

without the consent of the Forestry J)cvelopn1ent Authority 'fhe Company

shall not deprive any Person of a cOnstant and reasonable supply of usable

water from or pollute a previously t1tilized traditional source withot1t

providing an alternative source of substantially the same quality and

quantity, nor shall the Co1npany, 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 tl1is Agreement; it

being understood that the Government shall be responsible for the removal

of the \Valer bottling plant operated by the Liberia Bottling and Beverage

C.".01npany situated in Bomi County, at the sole expense of the Government;

The Compa11y's use of V·later under this Agreement will be subject to

cl1argcs as provided in applicable I~a\v or in the absence of applicable Law,

as provided in Section 16.6.

(c) The ('01npany shal! cause all Mines, Mining Pla11t, Infrastructure and equipn1ent constructed, renovated or acquired by it to he n1aintained

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th~·0uglilllll the t.li111r1g 'I crn1 in a safi.' anj S<JU1Hl c~i.1di"i.1·Jn in accurdance with International Mining Standards and the require1nents of insurers.

(d) The C~on1pany shall construct and operate all Mines, f\1ining Plant, and Infrastructure and equipn1ent in accordance \Vith the Development Plan and the Operations Plan set forth in the approved Feasibility Report. "fl1e Company 1nay not 111ake n1atcrial changes in the f)evclopn1ent Plan or the Operations Plan un.lcss it applies for and receives tf1e approval of the Minister, \Vhich approval 1nay not be unreasonably 1.vithheld, to appropriate amendments to such plans, and to tl1e extent applicable, the Feasibility l{cport and the related plans, reports and studies provided for in Sections 5.6 through 5.8. J\ny such application shall be acco1npanicd by the processing fee required by Section 16.l(e) or (.t), as applicable.

(e) In the event of any loss or damage to (i) the property of the Company, including any property !cased or deemed to be leased from the (}overn1ne11t or a third pa1ty; (ii) any property used in ()pcrations title to\_ \vhich is retained by the Governme11t or shall autornatically revert to the (Jovern1ne11t upon tcrrnination o[ this Agree1nent (whether under Section 26 or other\visc); or (iii) any property 1.vhich constitutes social infrastructure (e.g., schools or n1e<lical facilities) vvhich is constructed by, or on behalf of, the Con1pany, the Co1npany shall pron1ptly proceed to restore SL!Ch property:

(i) in the case of property described in the foregoing clause (i) or (ii), to the extent necessary to begin or rcsu1ne ()perations as

co111emplated by the Feasibility JZcport, and

(ii) in the case of property described in the foregoing clause (iii), to the extent necessary to al!oVv· the (~01npany to fu!fill its obligatio11s

under this Agree1nent for which such property is utilized.

(f) 'The C:on1pany may contract the operation of al! or anf portion of a cumplctccl Mine, Mining Plant or Infrastructure to any Person organized under the l~avvs of Liberia vvho i1as the technical expertise and financial ability to concluct such operation and \\.'ho is not a shareholder of the Compuny or an Affiliate of a shareholder of the Co1npany. r f the Con1pany contracts any operation in accordance with the foregoing sentence, the C'on1pany is responsible to the Government for the con1pliancc by such third party \.Vith all requirements of this Agreement applicable to the operations tn1dertaken by such contractor as though such operations were undertaken by the Company. 1··he requirements of Section 11.1 shall apply to the operations of any such contractor(s). Material operating contrCJcts shall be disclosed in each annual operating report of the Co1npany under Section 6.8(e).

(i.4 Rc.:oy\_t;rv Shortfalls.

(a) lf in the rt:asonable opinion of the Govcrnn1cnt, the Con1pany is failing \Vithout good cause to produce, transport aod ship 1narketab!e Iron Ore at

(jot !cos than 80% or the ratc 1

ndicatcd tn the approved F«~Jility ~::ort.

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it 111ay give nohct: i11 writing to the Con1pany. Wit11in three n1onths of the receipt of this notice tl1e Co1npany shall

(i) commence \York to improve its operations to the reasonable satisfaction of the Governtnent, provided that the Company shall in

110 event be obliged to conduct Mining, processing or treahnent

activities otherv.1ise than is econon1ically and technically feasible at

the time, and

(ii) subn1it to the Goven1inent evidence that the steps it is taking will lead to con1pliance with Section 6.3(a).

(b) If the Government rcn1ains unsatisfied with the Compa11y's response to such notice, the Governn1ent rnay co1nmission an independent technical study to detertnine a fair ;:rvcrage recovery and/or shipn1ent rate taking into account the nature of the reserves then being mined, the nature of the Mines, Mining Plant, Infrastructure and other equip1nent (assuming they are of the design and quality set forth in the Feasibility Repo11 and have been prudently maintained an<l operated), and the economic and technical feasibility of achieving increased recovery and/or shipment of Product(s) by tl1e Co1npany in accordance with the standards set forth in .Section 6.3(a). Such study shall be carried out by an internationally recognized indepen<le11t mining engineering consultant appointed by the Government fron1 a list of three such consultants, none of whom shal! be affiliated \Vith the Company -Or any of its principal direct or indirect shareholders (includi11g any Shareholder or Scsa Goa), named by the Co1npany on the request of the Go\'ernment. Each of the Government and the Con1pany n1ay submit inforn1ation to the consultant. 'J'he fees and expenses of such consultant shall be borne by the Company, but unless the consultant concludes the performance of the Co1npany's Production is at least 1 Oo/o less than the fair average recovery rate referred to in the first sentence of tl1is Section 6.4(b ), the Co1npany shall be entitled to offset the fees and expenses of such consultant against Royalties subsequently payable by the Company under Section l 5.1 of thi.s Agreen1ent.

(c) If following the completion of such study, the Con1pany fails within a reasonable period to achieve the fair average recovery rate indicated by such stud)', the Goverrunent n1ay increase the Royalty a1)plicable to such Products under Section 15. I in proportion to the exte11t that recovery of

stich Products by the Cotnpany is less than 90o/(I of the fair average rate indicated by such studies. But at no time shall the payn1ent of such increased Royalty free the Company fro1n its obligatior1 to satisfy Section 6.3(a).

(d) In no event shall recovery shortfalls caused by a suspension order incorrectly given in accordance \Vith Section 24 hereof shall fall within the scope of this Section 6.4 a11d shall not give any rights to the Government i11 accorJance \Vith this Section 6.4.

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6.5 Tn<-'J}g f~ibcria-Based Value-Added Productio11 Capacity.

*(a)* fhe Comiiany \Vill \Vork towards and assist t~c Govt:rrim~nt in achieving .the olicy of the establishment or expansion o[ downstream metals · proc~ssing facilities in Liberia in relation to pc!.letiza!ion o~ ot~cr further

beneficiation, refining and/or metals manufacturing and fabricating (to the tent not already carried out by the Coinpany pursuant to an approved ex · 1 · I d Feasibility I~eport) if, in light of recognized cconom1c, tee m1ca an  scientific standards, the Iron Ore mined by the Coinpany is amenable to -~uch additional activities and provided it is economically an<l practically feasible to do so.

*At* any time if the Con1pany wishes to establish its own bencficiation, (b)

pel/etisation, refining or manufacturing facilities in I ,iberia, it may do so pursuant to applicable Lnw, provided tl1at any such facilities shall be deemed additional Mining Plant to be incorporated in an runendcd Feasibility Report satisfying the requirements of Sections 5.6 through 5.8.

(c) I'he Cornpany sl1all submit to the Minister copies of any studies relating to the feasibility of establishing in Liberia the facilities as described in Section 6.5(a) prepared by or at the direction of the Con1pany.

(d) In the event that pelletisation facilities are proposed to be established in I.iberia by an entity other than an Affiliate of the Co1npa11y for the further processing of Products of the type produced by the Company, the Company shall agree to make its Product(s) available *io* that entit)' for further processing on conditions not less favorable than the conditions that can be obtained hy the Company for sale of such products outside of I,iberia. l'his obligation of the Co1npany is subject and subordinate to any beneficiatio11, pel!etisation, refining, manufacturing or niarketing contracts \Yith third parties entered into by the Co1npany prior to the C.ompany's receipt of a requc.st to commit Product(s) to such facilities, but in the case of any such contract, onlyffor such period of time as the Company has no right to tcnninatc (or to decline to renew or extend) such contract.

(e) \Vithi11 five years of first production the Con1pany must finance a pre fccisibility study for the establishment in Liberia of a facility for the next value added step in the transformation of Iron Ore into steel. "Value added" means at a minimum both an increase in value and an increase in purity (grC1dc) of the Product(s) of the Company's Mine(s). If at the tin1e of the study the parties cannot agree on the appropriate next value aUdition step or steps, the parties will select an international expert in iron and steel production to define the appropriate focus of the pre feasibility study, '.vith the costs of such expert to be sl1ared equally by the Govcrn1ncnt and the Company.

(t) ·rhe prc~1Casibility study shall be conducted for the Gove111n1ent by an intcrnational!y recognized independent consulting firm \Vith significant experience in the design of Iron Ore processing facilities and the production of iron and steel selected by the Company from a list of such (}'"' '"'""'"'" '" "" '°'':"'"' uruou ,; "''" ;c~,, ·' '' :•;ru ''

the con1pleted pre-feasibility study the Company undertakes to establish (directly, \Vith appropriate partners or by agreement with a third party) such a value added facility, the Government shall be cntitle<.1 to utilize the pre-feasibilit)' study for any purpose, including the establish1nent of such a value added facility itself (directly or with partners) or to rcrmit third parties to utilize such pre-feasibility study *to* solicit third pa11ics to establish such a value added facility and, as between it and the Cornpany, shall retain all right, title and interest therein. If the Company fails to notify· the Government of its interest in establishing such a value add facility within 90 days of its receipt of a copy thereof, it shall be deemed to have declined to establish such a value add facility.

6.6 Concerning Road Construction and Renovations.

The Con1pany will build a two-lane asphalt paved all-\vcathcr road fron1 Tubmanburg to Mano River (Kongo) for general public use vvith capacity for handling heavy traffic (the ';Roa<.l"). Not later than the second (2nd) anniversary of the Effective Date, the Co1npany will begin preliminary vvork on the l.Zoad, including a feasibility study (\vhich shall include route, design and construction specifications, con1pletion n1ilesto11es and such other provisions reasonably required by the Ministry of Public Works), survey, and completion of the tender process for construction. Prior to such time, the Ministry of Public \Vorks \Vil! develop the standards {Or the desig11, construction and paving of the Road. Constrl1ction of the Road shall begin within not more tha11 one (1) year of the Government's approval of the feasibility study referenced in this Section 6.6. l'he Road shall be cotnplcted to the satisfaction of the Ministry of Public \\1orks as soon as possible thereafter, but in any case within not more than t\.VO (2) years of the Government's approval of the feasibility study referenced in this Section 6.6. Completion and conforn1ity of the Iload with agreed standards shall be certilied by an internationally recognized road engineeri11g consulti11g firm.

6. 7 Concerning Railroad and Port Construction and Operations and ()re Transportation.

(a) ]'he f)eve!opn1cnt Plan shali provide for the constructio11 by the Con1pany or another entity that is mutually acceptable tt) t11e Co1npany and the Government of a railroad (the "Railroad") fro1n the Mines to that ce1iain portion of the Port as designated and marked on the 1nap attacl1ed as Exhibit 1 OA, with the capacity to move from the Mines to the Port on a continuing basis the maxi in um sustained output of Prodl1cts conteinplated by the Feasibility Report. The Railroad shall be designed so that it can l)c expanded on a com1ncrcially feasible basis to carry on a continuing basis twice as n1uch traffic as is contemplated by the preceding sentence but the Co1npany shall not be under any obligation to build such additional capacity except as it may elect pursuant to this Section 6.7. The Govcrn1nent or any third-party n1ay elect to have the capacity of the Railroad expanded to service the requirements of the Government or such third-party v..1ith the costs of such expansion to be borne by the Government or Sltch third party, as applicable. 'l"he Government shall retain title to the fix..:d assets of the Railroad.



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."1·.J<'v·,·:tllst...tnJ1ng U1e 1orcgo1ng co111mit111er1l 10 dcv-::lop and construct the llailroad pursuant to the foregoing paragraph, the Company shall be entitled, working in co11junction with the Ministry of Public Works (MOPW), to develop new roads and/or rehabilitate existing roads from its mining sites to the Port, along the corridor designated in Exhibit lOB hereto (which exhibit sha!I be prepared by the !vIOl)W and attached to this Agreement as an exhibit when it has been approved by the MOPW), as 1nay be reasonably required by the Company, subject to con1pliance witl1 applicable Laws, including the receipt of all necessary approvals and permits, in connection \Vith such development or rehabilitation. As a condition to t11e use by the Con1pany of new or existing roads to transport Iron Ore to the Port, the Con1pany shall conduct a short-form teasibility stuc!y in accordnnce with tern1s of reference and other criteria specified by the Government. Subject to approval by the Government of such feasibility study, for a period of three (3) years following the approval of such fCasibility study, the Co111pany shall be allo\ved to transport Iron Ore to the R.ort via such roads by trucks in the manner specified in and in accordance with such feasibility study. As soon as the Railroad becomes operational and can be used to transport the iron Ore to the Port, the Company shall cease transpo11ing the Iron Ore by trucks and shall only transport it by the Railroad. l'hc Company shall be responsible, at the direction of the MOPW, for performing and paying fOr repair of any damages and abnormal \Vear to roads and other infrastructure caused by its use of public roads to transport Iron Ore. 1'he Government shall retain title to a11y such roads constru~ted b}' \_the C:ompany.

The Development Plan shall provide (i) for the rehabilitation by tl1e

(c)

Co1npany of the Port and, (ii) provided the Govcrn1nent and the Cotnpany agree, in the event the Feasibility Report contains a finding that the l·'reeport of Monrovia cannot reasonably support the Iron ()re exporting vo!utne anticipated for the Con1pany's Operations throughout the term of this r\grecment after opportunities for expansion of the Freeport of I

Monrovia have been exhausted, for the construction by the Coinpany or another e11tity tl1at is mutually acceptable to the Con1pany and the Government of a new port or jettY (and related logistic areas) as required to support its operations which sha!l be suitable and at a reasonable distance fron1 the Co1npany's tnining sites. 1·he Govern111ent .shall provide Marine Services and retai11 legal title to the leased areas of the Po1i and shall receive title to any fixed assets of the Port a<> built by the Coinpany, \.Vhilc the Company shall have priority rights to possession and use of such assets subject to the tern1s a11d conditions of this Agreement, including those with respect to the rights of third parties to utilize such assets described in Section 6.7(d). l1nmediately upon the expiration of the 'I'ern1 or any exte11sions thereof or earlier tcrn1ination of this 1\grecment, all rights of possession, control, and use shall revert to the Goverrunent. For the avoidance of doubt, the Company sl1all at no time be cxcrnpt from co1nplyi11g with aH applicable I~a'\.vs, i11cludi11g in particular all l,aws with respect to envirorunental contamination and remediation, in respect of its activities relating to the Port or the transportation of ore by railroad or

(J\ds. The Govcnunent sha 11

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:·r\_~:--·;, ,>Jb:,; 11u11~<: ! .. \_; the C~c1r1p:'ny, authcr'.·L~ tiii;-d :~1:ty u::;e ~if execs:.; capacity of the Port, provided that the Company or the Government 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. l'he technical and comn1crcial terms for such third party use of the excess capacity shall be mutually agreed to in good faith among the Government, the Company, and such third parties in accordance \Vith acceptable international industrial standards. A formula to share the revenue fees fron1 such third-party use shall be agreed upon in good faith between the Government and the Company. Such third party access and use shall be at no cost to the Company, and all related costs shall be borne by the third party. '[he Company is not authorized to provide port operational services to any such third part)' users of the !eased areas of the Port or any new port that the Company may be authorized to construct hereunder.

(d) The Con1pany has priority use of the NIOC'. and LMC Iron Ore piers located in the Port during the Exploration and Production Operating Periods and any extensions thereof, subject to all applicable Laws, the tern1s of the Port IJeasc, and rights of third parties relating to the Port, including the rights of APM'r ·rerminals Liberia, Ltd. ("APMT") as set forth in the Act to Ratify the Concession Agreement Bety.,.•een the National Port Authority and .A.PM Terminals I,iberia, Ltd., rati fi.e.d September 17, 2010 (the "Freeport Concession Agreement"), and APMT's rights to use the l,MC Pier duri11g the "C:onstruction Phase" (as such ter1n is defined in Section 1.01 and ,A.ppendix 4 of the Freeport (~oncession Agreement) as set forth in Sections 4.04 and 7.06 of the Freeport Concession Agreement. The Cotnpany shal! use its best efforts to reach a separate \Vritlen agree1nent \Vith APf\1'f as to mutual use of and access to the LMC Pier during the "Construction Phase" (as such term is defi11cd in Section l .01 and Appendix 4 of the Freeport Concession Agreement), or until such earlier time as APM'I' no longer has need to use the LMC Pier. Any such agree1nent Y...'ith A!JMT shall, to the extent possible, 1ninin1ize any material adverse effects on the ability of APM1- to pcrfor1n its operations or con1plete construction as conte1nplated by the Free1Jort Concession Agreement and, in particular, Section 4.04(b) thereof

(e) ln accordance with applicable l,a\V, and subject to a feasibility study at the sole expense of the Company to determine commercial viability to be approved by the c:on1pany and the Government, the Con1pany shall make provision for additional passenger service and the transportation of non~ bulk cargo on the Railroad.

(f) If the Govcnunent or one or more third parties wish to use the Ilailroad to move bulk cnrgo, the Con1pany shall permit such usage subject to the 11cgotiation by the Con1pany and the Governn1cnt or such third party of com1nercially reasonable rates for such usage. The costs of all required additions to rolling stock and n1otive power to accon1rnodate such usage shall be borne by the Government or such third part)', as applicable. If accominodation of the requested additional usage \\'onld materially

"1d·,,;rsciy :1l1C1.·t ti:(' :1biiity of the C'on1pany to nlllV'<~ 1:-·;L'l ()re to the Port or

ha11dle lro11 Ore trains at the Port, the Govern1nent or such third party shall

bear the cost of the additional investment needed to enhance the Railroad

to avoid such n1aterial adverse etTect.

(g) If the Government or one or more third parties wish to use the Railroad to carry bulk cargo, the Cotnpany may continue to operate the Railroad itself and carry out the operation of all trains on the J\ailroad, or the Company

may transfer operational responsibility for the Railroad to an operating

company owned by the Company and each other entity that has

contributed to the capital investment (exclusive of n1otivc power and

ro!ling stock) in the railway, and such operating con1pany may either

operate the Railroad and all trains, or n1ay be responsible solely for the

operation and maintenance of the fixed rail facilities and allow al! persons that meet no11-discrin1inatory operating standards to operate their own bulk

cargo trains 011 the fixed rail facilities. Whether the operator is the

Company or such new operating con1pany, the Railroad shall be operated

in a way that docs not discritninatc against the shipn1cnts of any Person.

(h) During the Exploration Period, the Company shall develop prclirninary studies estimating the cost of constructing, respectively, each of the

Railroad and the Port, based on the Con1pany's estimate at the time of the

respective required rail and port capacity, the additional works and equipment that \.vou!d be required to double the capacity of the Railroad as

· ·· co1iten1plated by Section 6.7(a) and· to rehabilitate and expand the Pot1 or construct a new port or jetty as.,conten1plated by Section 6.7(c), and the

esti1nated cost of such additional \vorks and equiptncnt. ·rhc capital

development plan required by Section S.6(a)(iv)(3) to be included in the

Feasibility Stt1dy shall set forth the estin1ated costs of constructing,

respectively, each of the Railroad and the Port, shall identify with reasonable specificity the additional works and equip1nent required to

double tl1e respective capacity of the l{ailroad as conten1plated by Section 6.7(a), and shall set forth the cost of such additional works and equipment

(if pcrforn1ed or provided im1nediately after the respective con1p!etion of the initial railroad). The additiorlal equipment rcfcn·cd to in this Section 6.7(h) does 11ot include the motive power and rolling stock required to

increase the capacity of the Railroad.

(i) If tl1e Govcrnn1ent or a third party wishes to provide for expansion of the Railroad's capacity as conten1platcd by Sections 6.7(a) and (f), the Company may elect to, but is not rec1uired to, itself carry out or contract for the additional work required. If it docs so elect, it shall agree to

complete the expansion \Vithin a co111mercia!Jy reasonable period of time,

assuming that the necessary funding is tin1cly received and subject to force

majeure (it being understood that the Co1npany is not obligated to incur binding con1mitments until funding for those con1n1itn1ents is in hand). If it does 11ot so elect, the third party responsible for the expansion work shall

submit the expansion designs and v.1ork plan to the (~on1pany for approval,

which shaH !l{}t be withl1cld unless such designs and works plans \Nould

unreasonably ii1terfere v.,,.ith Operations.

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(j) 1\1 ih1: r.:qu~'St u~ 1,~ {,'1--rrip[~11y, the Natior,:'1 ~·oi\:; ,\\_u1h"r1ty .shall use reasonable efforts to provide iand to be leased to the Corr1pany on mutually acceptable terms for use by the Company in connection with the Company's Iron Ore Operations that require use of facilities at the Port. Such !and will be leased under a separate lease agreement between the National Ports Authority and the Company\_ Such lease agreement (including a detailed map of tl1e area in the Freeport of Monrovia that is subject to the Port Lease) shall be affixed as Exhibit 9 to this Agree1nent following execution of such tease agreement by the parties thereto.

(k) If there is a dispute with the Company as to any matter arising under Sections 6.7(1), (g) or (i) that is not resolved within 60 days after it is identified by any party to such dispute by notice to the other parties as a "senior management dispute", each party to such dispute shall promptly designate a senior member of tl1e management of its ultimate controlling entity to participate in discussions to determiI1e whether such dispute can be resolved. ff the Government is a party to the dispute, the President shall designate a minister of cabinet rank to participate on behalf of the Government.

(1) If a resolution of any such dispute cannot be reached within 105 days after designation pursuant to the preceding paragraph as a "senior management dispute," the Con111any, the Government or a third party that is a party to the dispute may demand that the dispute. be submitted to. a technical dispute resolution committee. l'he -Company shall designate two persons to participate- :jn such comn1ittee, and the other parties to the dispute (which rnay be the Government, the Government and one or more third parties, or one or more third parties) shall also designate two persons to participate in such committee\_ One person designated by each side shall have experience in either railroad or port operations, as the case may be, and shall not be regularly employed or retained by any person party to or

t having an interest in the outcome of the dispute. The four persons so selected shall not be regularly employed or retained by any person party to or having an interest in the outcQme of the dispute and shall 11ot be a citizen of l,iberia or of any country whose nationals have a material interest in the dispttte. l"he four persons so selected shall choose a fifth person \.Vho shall have experience in railroad operations, and shall not be regularly employed or retained by any person party to or having an interest in the outcome of the dispute a11d who shall chair the com1nittce. The recommendations of the com1nittee as to the resolution of the dispute sl1all be binding on the parties to the dispute except that if t}1e reco1nmendations of the cornmittee depend upon a determination of the legal meaning of any provision of' this Agree1nent, the Con1pany or the Govcrnrnent may seek arbitration under the terms of this Agreement as to the correctness of such deten11ination\_

(m) Disputes among third parties or between one or rnore third parties and the Government are not subject to the ter1ns of the t\VO preceding paragraphs.

6.8 s;on1pany Reporting T{equirements.

The Con1pany shal! subrnit to the Minister (and the Minister of Finance, in the case of Sectio11 6.8(t)) 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 I~icense, those reports req11ired by Section 6 of the Exploration Regulations;

(b) following the grant of a Ivli11ing License but prior to satisl~1ction of the ca1)acity demonstration require1nent set forth in Section 6.2, a six-n1onthly report on the progress of construction of the Mining JlJant and Infrastructure provided for in the approved feasibility Report, inclicating progress and expenditures to date, and estimated date of satisfaction of the capacity dernonstration requircn1ent;

(c) a quarterly statistical report·(which shall be deli\'ercd for every quarter, including month.s ending an annual reporting period) beginning with the calendar quarter in which con1mence1ncnt of the Production Operating Period occurred, setting forth (i) the amounts of Iron Ore Mined, the a111ounts of Iron Ore processed al the Mine, the ainounts of Product(s) st1ipped to the port, the amounts of Product(s) exported, the a1nounts of Product(s) othervvise disposed of and the stock~ of mi11cd Iron Ore and Product(s) at the end of the period at the Mine and at tl1e port (Product(s) i11 transit being dee1ned located at the port), (ii) the nu1nber and location of the vvorkings on \vhich v·:ork was performed during the preceding q11arter, (ill) the nun1bcr of \Yorl<ers employed thereon at the end of the quarter, and (iy) a brief dc;;;cription of the work in progress at the end of the quarter and of the \York conten1plated during the following quarter;

(d) a q11arterly operating report, beginning with the calendar quarter in \Vhich the comn1ence1nent of the Production Operating Period occurred, concerning the progress of its operations in the Production /\rcas that arc the subject of a Mining License issued pursuant to this Agrce1nent, specifying in full:

(i) those workings in which technically exploitable Minerals are considered to have been found, regardless of whether the deposits or such l\!1inerals are deemed to be con11nercial or not (together \Vith al! data relative to the estimated voluincs and the kind or kinds of such technically exploitable Minerals encountered and the anulyscs of such data), the number and description of workings vvhich have been placed in co1nmercial 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 \\.'Ork

contemplated during the ensuing quarter; and

(ii) the work accon1plished during the quarter in question \Vith r...:spect to all installations and facilities directly or indirectly related to its

exploitation program, together with the work conien11Jlatcd for the *SS*

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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 con1mitted 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 incltidc:

(i) the number and description of the workings \vhich \Vere in progress at the end of tl1e Financial Year preceding the Financial Year in questio11 (with a showing as to which were then in co1nmercial production), the nt1mber and description of workings abandoned during the Financial Year in question; the production of each of the workings, regardless of whether in coinmerciat production or not, with a full description of the 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 lluestio11, bt1t \Vhich have not gone into commercial production;

(ii) the total volume of Products, kind-by-kind, broken down into volumes Mined, volt1mes transported from the Mines and their corresponding destination, volumes stockpiled at the 1\1ines or

-elsewhere .in L.ibcria, volumes sold or co1nn1ittcd for export (whether actually shipped·--from Liberia or not), and volumes actuatly shipped fro1n Liberi8· (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 \Vith respect to all of lhe 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 durir1g the year in question and a!! i11vestment committed for the ensuing Financial Year or Financial Years;

(iv) a report on all other Production and activities for that l:;-inancial 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;

(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 fron1 Liberia or Transferred to a third party in I~iberia during the Financial Year and the con1putation of the Royalties or any other Taxes and Duties itnposed 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;

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(h) on request from the Government from time to time 1 evidence of the Con1pany1s compliance vvith Section 6.J(a).

·rhe (~01npany shall also provide such additional information as is necessary to keep the Government fully inforn1ed of all operations a11d activities, wherever co11ducted in Liberia, and of its plans in respect thereof. All monthly and quarterly reports required under this Section 6.8 shall be submitted within 30 days of the end of the quarter in question, and all annual reports required under this Section 6.8 shall be submitted within 60 days of the end of the Financial Year in question. Each report referred to in Sections 6.8(a), 6.8(b), 6.&(c), 6.8(d) and 6.8(e) shall be certified as true and correct by the chief executive officer and the chief operating officer of the Con1pany. The report referred to in Section 6.8(f) shall be certified as true and correct by the chief executive officer and the chief financial officer of the (~ornpany.

6.9 Books and Records.

·rhe Company shall maintain at its principal office in Liberia, or at such other offices as the Minister n1ay approve, copies of all maps, geological, mining or other earth science reports and mineral analyses (together with all field data \Vhich support such reports or data), production records, 1narketing and financial reports and other data obtained or compiled by the Company as a resi.dt of Opcr·ations. l'he (J-ovcrnment sl1all have full access to inspect on site alf Sltch information, data and material, iOllowing receipt by the -Corilpany of at least two Business Days' prior written notice provid5:Q that such access does not unreasonably interfere with Operations.

The Ministry and other agiEncies of the Governn1ent having jurisdictions (such as the EI\_) A and any governrr1enta! entity al the time responsible for en1ployee safety and welfare) shall have the right to monitor Operations (including inspecting relevant docu1nents) from ti1ne to time and 1nay, without prior notice but at reasonable times of day and \Vithout rr1aterially interfering with the normal conduct of the Con1pany's business, visit and inspect any of the facilities and ()perations of the Cornpany in Liheria, provided that nothing herein shall limit the right <Jf the Government to access or inspect facilities and Operations of the Con1pany in order to investigate criminal, security, en1ployee health and safety or enviro11mental rnatters, \Vl1ich inspections 111ay, for the avoidance of doubt, be conducted at any time.

6.11 Insurance.

(a) At all ti1ncs during the l'erm (including during the construction period) the c=on1pany will n1aintain, with financially sound and reputable insurers,

insl1rance with respect to its properties, including any propeiiies leased or

deemcJ to be leased from the Governn1ent or a third party, any other

CY\'opcrty used in Operations it~c to which is retained by the (~:emment or

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(h) Where an event occurs which gives rise to an ability to make a clai1n against the insura11ce maintained by the Co1npany pttrsuant to Section 6.1 l(a), unless the Governrnent co11sents othcr\vise, the Company shall promptly file a clai1n witl1 the relevanl insurance cornpany and, in the case of third party liability insurance, the Govern1nent shall be entitled to file a claiin. Unless tl1e Government consents otherv.-'isc, the Company shall be obligated to re-invest the proceeds of insurance covering loss or {iamage to any property which constitutes social infrastructure which is constructed by, or on behalf of the Company or title to which is retained by the Governn1ent or shall auton1atically revert to the (Jovernment upon tcr1nination of this Agreement ( \Vhether pursuant to Section 26 or otherwise) for the restoration or replacement of such property. In respect of any other insurance coverage for loss or dan1age to property, the Cotnpany shall be entitled to re-invest or retain the insurance proceeds as it sl1all determine in its sole discretion, provided, that if the Co1npany does not re-invest the proceeds and as result thereof lhere is no n1aterial production or processing i11 a Production Area, then in respect of that Production Arca the Company .shall relinquish the t-.lining License applicable to such Production Area.

SECTION 7 LAND AND FACILITIES

7. t Surface Rights.

Subject to Section 6.3(b), the Co1npany shall have the right, subject to the requirements of applicable J,aw, to enter upon and utilize Land included in (i) the Exploration Area, (ii) as otherwise specified in Sections 5.l(b) of this Agreen1ent, and, (iii) following the issue of a Mining License, in :J Production Area for purposes of and incidental to ()pcrations; subject to the puyn1ent of reasonable compensation to the Landowners or Occupants of l.and so utilized for loss of or diminution in the value of such Land or the products thereof attributable to Operations.

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7.2 Lin11tat1on u1i i-·,x,1loration and Pruducuon.

This Agreement may not be construed to pern1it the Co1npany to Explore for Iron Ore or any other Minernls outside of the Exploration Area or, following the end of the Exploration Period, other than Exploration for Iron Ore in a Proposed or actual Production Area, or to produce any Minerals fron1 outside an approved Prodt1ction Area.

7.3 Acquisition of Land llse I{ights Outside a Production Area.

(a) 'fo the extent other\visc pcrn1itted by applicable Law and not already provided for in this Agreement, the Company is pcrn1itted to acquire

surface land use rights in respect of Land \vhich is not included in the

Production Arca sufficient to entitle it to construct, install and operate

Niining Plant or Infrastructure. If following the approval of a Feasibility

lZcpon the c.:on1pany cannot reasonably obtain sufficienl land use rights to

enable it to construct, iristall and operate Mining J>Jant or Infrastructure

provided for in the approved Feasibility !Zcport, the (Jovernn1ent vvill n1ake

available to the Compa.ny for such p1.1rposes Land O\.vnecl *by'* the

Government and not subject to a valid leasehold or other third party

interest and not otherwise required for the achieven1ent of other

Uovern1nenl prograins. If the Govcrnn1ent cannot 1nakc available to the

Co111pany sufficient surface rights in such I~an(l and the Company is

unable to acquire sufficient rights from relevant third parties on reasonable

terms and conditions, the CJ-ovcrnn1cnt shall assist the c:on1pa11y 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 rcasonab!y availah!e to the

Co1npany for such purpo:->es the Government \-vill use its pO\Vers of

eminent do1nain to obtain such rights from an unwilling third party.

(b) Surface rights n1ade available by the Govcrn111ent fron1 I,and ow11ed by the C.l-overn111ent shall be subject to applicable provisions of the Revenue

Code, including any obligation to pay surface re11tal.

7 .4 Costs of Acquisition of I.and lJse ]{ights: 'f crn1in.lJ.!jon of l-Ziglits.

(a) All costs incurred by the Con1pany or by the Governn1ent at the request of the C'on1pany in connection with the acquisition by the (~01npany from

parties other than the Government of rights in J\_,and for activities provided

for in an approved Feasibility Report, including costs incurred by the

(Jovcrnn1ent pursuant to its exercise of its po\vcrs of en1i11ent domain, shall

be borne by lhe Coinpany. Pay1nent shall be due within 30 days following

recei1Jt by the c:o111pany of a statement from the Governn1ent setting forth

the atnounts for which reimbursen1ent is sought.

(h) ·rhc (~ornpany's right to occupy such f,and shall tern1ina1e at the end of the Tern1, or, if earlier, at such time as it is no longer used in the Co1npany's

business if other use can be n1ade of such !,and without danger to the

Occupants of L,and or other tiscrs of the relevant areas or interference \-Vith

()\e Company's business.



SECTION X LU\IMl!NlTY REM)URCE:-i

8.1 Cominunity Responsibility.

It is the policy of the Govern1nent and the obligation of the Con1pany to develop programs for the devcloprnent and maintenance of the econ<Jmic and social viability of the centers of population that have formed and that may form as a result of Operations during the ter1n of this Agree1ne11t. Upon the reasonable request of the Govcrnn1ent at any time the Company shall work with the Govcrnn1ent and the local comn1unities affected by Operations to establish plans and prograrns for the implementation of this objective, and thereafter the C6n1pany shall in good faith cooperate with the Govcrnrnent \.Vith regard to its efforts concerning the realization of such plans and progratns, 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 progra1ns other than as specified in th\_is Agreement.

8.2 Community Fu11ding Obligation

(a) The Con1pa11y shall provide the annual social contribution set forth below (the "Ann11al Social Contribution"), as provided in this Section 8.2(a). Con1n1encing on the Effective Date and thereafter on each anniversary of the Effective Date until the end of the year prior to the year in which the Start of Co1nn1ercial Production occurs with respect to the first Production Area, the Co1npany shall pay Two Million Dollars (US$2,000,000) within ten ( 10) days of the Effective Date· for the first year of the Tern1; Two and a 1--lalf Million Dollars (lJS$2,500,000) on each anniversa1y of the Effective Date until the year in which the Start of (~om1nercia! Production occurs and on each anniversary of the Effective Date. "[hereafter, the Coinpany shall pay an Annual Social Contribution of l"hrce Million and One 1-Iundred ·rhousand Dollars (LJS$3,100,000) (adjusted annually for intlat!on in the nlanner provided for in Section 8.2(b)). The Annual Social Contribution sha!I be deposited and held as provided in Exhibit 6. ]'he Annual Social Contrihtttion shall be in lieu of any obligation of the Con1pnny pursuant to Section 9.3(b) of the l~xploration Regulations.

(b) The amount payable pursuant to Section 8.2 (a) sha!! be adjusted annually for inflation for each pa)'n1ent after the initial pay1nent in proportion to the change in l)etlator over the year ending on the !<ist day of the 1nonth immediately prior to the due date of each payment. 'fhe Government's determination of such a1nount shall be final, nbsent n1anifest error.

(c) The Annunl Socia! Contribution and utilization of such funds for specific projects shall be n1anagcd by a dedicated con11nittee (the '·Com1nittee") in accordance '-Vith the structures established by the Go\1ernment in consultation with the Com1nittee frotn time to time, provided that in all cases (i) the Company shall at all times have at least one representative on the Con11nittcc; (ii) structures and processes 'viii be established to provide for the participation (in a dccision-rnaking or advisory capacity as the Govcr11n1ent shall determine fro1n ti1ne to tin1c) of o!1lcials, businesses and residents froin the affected counties in the identification and sc!ectio11 of ~ \

projects to be supported \Vith funds fron1 tl1c Annuai Social Contribution;

(iii) no funds shall be disbursed from the Annual Social Contribution, if, in

the Con1pany's view, the disbursement of the funds or the project

supported by the funds \\.:ould cause the Con1pany to be in violation of

applicable l,a\V, including any applicable anti-corruption Jaws; (iv) funds

ffo1n the Annual Social Contribution n1ay be disbursed (A) only for direct

delivery of services and com1nunity Infrastructure improve1nents, and not

to fund 1he general work programs of adn1inistrative offices or otiicials

save funding of customary and reasonable compensation and benefits for

the Committee's adn1inistrative assistant and of reasonable amount for

basic office supplies, and (B) except as provided in Exhibit 6, only for the

benefit of Liberian co111mtu1ities in the affected counties, m:ovided, that

residents of Bon1i County, Grand Cape ~1ount County, and Gbarpolu

County and any other County identified in the Pre-Feasibility Report or the

Feasibdity Report as being directly impacted by Operations shall be the

prin1ary beneficiaries. Projects supported with funds frorn the Annual

Social C'ontribution and the actual liisburscn1ents from the An11ual Social

Contributions shall be publicly disclosed a11d shall be subject to the same

audit procedures provided for expenditures by the CJovernmcnt of Liberia

and as inay be further provided by 1,a\v. Periodic reports and audit reports

shall be 1nade available to the Company and to the public and the

Con1pany shall have the right to independently audit (at its o\.v11 expense)

any disbursen1ent or expenditure 1nade or project supported with funds

from tbe 1\nnual Social Contribution and for this purpose ~~all be provided

V'l-'ith and have access to all relevant documentation and inforn1ation.

SECTION 9 PUilLIC HEALTH AND SAFETY

9.1 Safety Procedures and l\1oti1ications.

In co11nection with ()pcrations, the Con1pany shall instai!, n1aintain and use such n1odern health and safety qevices, vvork gears and equip1ncnt, and shall practice such modern health and safet)' procedures and precautions (including regular safety training instruction for its .employees) as are in accordance with applicable Law and International Mining Stand3rds. 'fhc Co1npany shall notify the Go\'crn111ent prornpt!y of any death of or serious injury to any employee of the Con1pany or any of its contractors or any other persons that occurs as <l result of Operations. For the purposes of this Section 9, a serious injury 1neans an injury that is !ik.ely to cause the injured Person to Jose five or inure \Vorking days.

9.2 Security.

(a) ·rhe Cornpany 1nay, directly or by contract \.vith J. responsible 11rovider of security services, establish, 1nanage and n1aintain its own asset and

employee security and protection service for the purpose of 111aintaining

lavv, order and security in the Exploration Area, in each Proposed

Production Arca or in each Production 1\rea and in the irnrnediatc vicinity

of other locatio11s at which Co1npany has or n1aintains property and assets

through its own security force and to do so always being subject to

applicable I.avv (including all I\_aws relating to apprehension and detention

and hun1an rights) and t11e "\'oluntary Principles on Security and 1-luinan

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Rights" (as of October 2009 located at: *http://www.voluntaryprinciples.org),* provided that if at any time during the ·rerrn tl1e foregoing principles are no longer publisl1cd on the Internet, the last avai!able 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 n1err1bers of the Company's (or such contractor's) security services as being certified by the Ministry of Justice as being literate, as having received training in police and law enforcement procedures given by an outside contractor (which contractor has been certified by the "tvlinistry 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) ·rhe Co1npany's security services will have CD the power of apprehension and detention in accordance vvith applicable Law, and (ii) the power, to the extent perrnitted by 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 Con1pany's security services, the appropriate C.Jovcr11ment authority shall be notified imn1ediately, and tl1e person detained shall be ha11ded 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 req11estcd by Liberian National Police. The Co1npany's security services may not use unreasonable force in detaining, excluding or evicting persons, whatever the nature of their intrusion, and any detention facilities sl1all be adequately ventilated, reasonably clean and witl1 access to sanitary toilet facilities. In addition to the foregoing reqtLirements, any security services provided by the Cornpany in the Port or any new port, \vhcther directly or through a contractor, shall comply with the International Code for the Security of Ships and Port 'Facilities (the "ISPS Code") and any port facility security plan adopted thereunder with respect to the Port or any new port at which the Company Ct)nducts its Oper:.itions. In accordance therewith, the Con1pany shall im1nediatcly notify the port police of any security incident (within the meaning of the ISPS) and turn over to the port police any person suspected of engaging in or threatening to engage in a security incident who is detained by the Co1npany or its security services.

( c) The C~on1pany shall coordinate the act1v1t1es of the Con1pany security services, or to tfie extent that a contractor provides such sec1lrity services to the (~01npany, the Company shall procure that such co11tractor 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 Con1pany'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 tl1at wl1ere the Con1pany's or its contractor's security services have detained any person, the Con1pany or its contractor (as apj)licablc) shall report to the tvtinister of Justice (with a copy to the

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i\.1in1stcr) as soon as practicable ;ind in any event \Vithin a month of the

relevant detention. Each such report shall be certified by the chief

executive officer or the Company (or by the equivalent person within the

contractor, as applicable) as being true and correct.

(d) The Con1pnny is and shall be fully responsible for the con1pliance of the men1bers of its security force, whether its e1nployees or the employees of a

contractor, with all requirements of this Section 9.2 and for all

consequences of ariy breach of those requirements.

9.3 Emp!oye~ Housing,\_

'fhe Company shall, either directly or indirectly, ensure access to housing for the en1ployees of the Cornpany and their resident spouses and resident dependent children (up to the age of 21) and shall ensure that such housing conforms to n1inirnum standards as agrc~d between the (]O\'er111ncnt and the Company including ensuring those requil·e1nents set out .in Sections 9.4 to 9.6.



Access to housing under Section 9.3, will include provision for bathroon1 facilities with a toilet, sink and shower located in each house. 'l'he Co1npany shall also provide clean and accessible toilet (and, where the nature of the \\'Ork makes it appropriate shower) facilities at its \Vorkplaccs.

9.5 J'.Yater Supnlv· C!ea11"and Safe Drinkirig Water.

Access to housing under Section 9.3, \\'ill include provision for a clean and safe pipe-borne water systen1 for all houses. In addition, the c:on1pnny shall construct hand pun1ps or other sources of water at its workplaces that ensure a convenient and uninterrupted supply of clean and safe drinking \Valer. /\II drinking water sha!l meet or exceed the approved Government standards for drinking \Vater quality.

9.6 Size of Iiouscs.

Each family house will have separate bedroon1s for parents and children, and, in addition separate bedroon1s for 111a\e children and female childrc11, i.e. a minimurr1 of2 or 3 bedrooms.

SECTION I 0 MEDICAL CARE

Upor1 the con1n1cnccmcnt of construction of any Mine, Mining Plant or Infrastructure, the Con1pany shall construct or cause to be constructed, and during the period that a Mining License is in effect under this Agree1nent the Co1npany shall rnai11tain and operate or cause to be operated, health facilities to ensure the availability in each Production Area of

1nedical treatn1ent, care and attention in accordance with applicable [Ja\..\l, and such other in1proved standards a.s 1nay be agreed betv,'een the parties. All such facilities shall be staffed with qualified 111edical personnel and shall be properly equipped and st1pplied for the level of service required in accordance with international ine<lical staridards. No later than the con1mencen1cnt of Production, the Cornpa11y shall have constructed or caused to

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be constructed and shall rnainta1n, at the Company's primary Mining location, a hospital facility providing a wide range of curative and preventative services supported by a small laboratory and meeting all standard::; under applicable Law. Such treatment, care and attention shall be free of charge for the Company's employees and their resident spouses and resident dependent children up to the age of 21. Government officials and/or emplo;'ecs assig11ed to and regularly e1nployed in the Production Area in an official capacity, and resident in or adjacent to the Production Area, and their resident spouses and resident dependent children (up to the age of 21 ), shall, during the time of such assigrunent, employment and residence, also be entitled to receive medical care on the same basis as Com1Jany en1p!oyees, provided that the Government agency which represents each such Government official or employee shall, at the time of the assignment or regular employment, certify to the Co1npany the names and full identification of the Government official or employee, the resident spouses ancl resident dependent children (up to the age of 21 ). 'fhe Cornpany shall also provide reasonable access to such health facilities to members of local com1nunities for ambulatory or emerge11cy care. It is understood that "reasonable access" n1ay include the imposition of fees that are reasonable in light of the economic level of such communities, it being also understood that such fees are unlikely to cover the cost of service.

SECTION 11 EMPLOYMENT, TRAINING AND EDUCATJON 11. l E1nploy1nent.

E1nployn1cnt practices of the Company shall conform to applicable labor

(a)

J)ractices l.aw and other applicable Law and the Company will require arl:Y contractors or sub-contractors to co1nply with this-provision with reSpect to tl1eir own employn1ent practices.

None of the Compa11y nor any other contractor or sub-cor1tractor may hire

(b)

individuals who arc not citizens ofI.iberia for unskilled labor positions. ( c)

'J'he Coinpany shall (and the Comrany will require any other contractors or sub-contractors to) employ and give preference to the employment of qualified citizens of Liberia for financial, accounting, teclmical, ad1ninlstrative, 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 arc not a\'ailablc for such positions, it being the objective of the parties as soon as is practicable that the Operatio11s under this Agreement should be conducted and 1nanaged primarily by citizens of Liberia.

In furtherance of the obligations under Section 11.1 ( e), the Govern1nent

(d)

and the Co1npany shall agree prior to the approval of the l;easibility Report on progressive in1plementation of an e1nploy1nent schedule with the objective of citizens of Liberia holdi11g at least 30% of all managernent positions including 30~0 of its ten tnost senior positions within five years of the initial grant to the Company of a Mining License under this 1\greement, and at least 70o/o of all n1anagement positions including 70% of its ten 1nost senior positions within ten years of such date. Appoint1nent of a citizen of Liberia to a particular positio11 does not preclude subsequent

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en1ployincnt of a citizen of another country in such position and it shall, at

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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) Subjecl to the above, the Cornpany n1ay at all ti1nes choose its en1ployees and shall be free to employ such Persons \.Vho are not citizens of Liberia as

are req11ired for the efTicient conduct of Operations in Liberia. Where

applicable I.aw stipulates 1nini1num tecl1nical qualifications and/ or

n1inimum levels of competence for any technical post, the Government

undertakes to recognize equivalent technical qualifications and/or

certificates of con1petency held by Persons who arc not citizens of Liberia,

provided that such qualifications and/or certificates of competency shall

have been issued by a recognized institution or statutory autl1ority in any

other country having a substantial 1nining industry or internationally

recognized n1ining education institution.



(a) Follovving the grant to the Company of a Mining f\_,icense under this Agrce1nent, the Con1pany shall provide on a continuing basis for the

training of citizens of I~ibcria in order to qualify them for financial,

accounting, supervisory, n1anagerial, executive positions and other skil!ed

positions, and as required by Operations provide on-the-job training,

operate vocational training facilities, and utilize whatever otl1er measures

are· necessary and reasonable to transfer to other citizen employees the

ability to vvork in skilled trades and to supervise other tradesmen and

laborers.

(b) The Company shall facilitate the qualification of a L.iberian geologist under international resource reporting codes but shall not be reqltired to

guarantee ctnployrnent after training. The Gover1unent shall provide the

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Company \~.:ith a list of potential candidates for iron ore Competent Person

(CP) status accreditation under CRIRSCO guidelines. ·rhc Company shall

continue to hire an(i trai·n Liberian geologists, including funding their

(~RIRSC() accreditation as and when they qualify. "fhe Company sl1all

furthermore facilitate applications by its own I,ibcrian geologist en1ployees

for accreditation and subsequent registration under C~I{JJ{SCO guidelines

as iron ore Coinpetent Persons.

(c) 'file C'o1npany shall also provide for the follo\ving:

(i) Training of a high-calibre Liberian tcclu1ical professional to

assun1e the role of Company Site !'vfanager \Nithin 5 years from the

f<:ffective Date;

(ii) Training of a high-calibre I~iherian caterer or chef to assume the

role of Company Catering Ma11agcr al the Site within 5 years fro1n

the Effective Date;

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(iii) f<,ngagernent of an international security services consulta11t to provide training to the Company's Liberian security contractor in

security risk evaluation and mitigation, and the preparation of e1nergency plans;

(iv) Engage1ncnt of an international 1nedical services provider to train a Liberian nurse employed by the Cornpany at its tirst aid post health;

(v) Training of f~iberians from surrounding villages 111 various exploration support infrastructure functions; and

(vi) J{egular training in defensive driving techniques for Company drivers, \\lho will also benefit from regular first aid training from

the Con1pany's international medical services provider.

11.3 General f~dt1cation Fu.11d.ing,

(a) l'he (~01npany shall, commencing 011 the Effective Date until t11e award of a Mining Lice11se, contribute ai1nually on the a1U1iversary of the Effective Date through a Company administered progra1n i1 total of Two Hundred Tho11sand Dollars (lJS$200,000) (adjusted an11ually for inflation in the manner provided for in Section 1 l.3(b)) to education funding to be allocated as follov.,1s: (!) US$80,000 (Eighty l'housand Dollars) per year (as adjusted for inflation) towards geology or mining engineering scholarships al the University\_ of Liberia and t~chnica! apprenticeships at the University of Liberia educational establishments, with such scholarships and apprenticeships preferably a\varded to students from !·1on1i, Grand Cape Mount, and Gbarpolu C~ounties, (ii) US$40,000 (Forty Thousand l)ollars) per year (as adjusted for inflation) towards the creation and operation of a Mining and Gcolog)' lnstitLtte at the Uni\1ersity of Liberia for students ll}ajoring in mining engineering and ge-o\ogy, (iii) US$20,000 (Twenty Thousand Dollars) per year (as adjusted for inflation) towards the pron1otion of graduate training programs in Geology and Mining Engineering or other related disciplines at the lJniversity of Liberia or such other state operated higher education institutions, and (iv) US$60,000 (Sixty 'rhousand Dollars) per year (as adjusted for inflation) towards the facilitation of graduate training of and sponsor exchange programs for students majoring in 1nining engineering and geology, with preference for students frotn Bomi, Grand Cape Mount, and Gbarpolu Counties, in universities in other parts of the world (it being understood that such programs should be structured to provide reasonable incentive for such e1nployees to return to I ... ibcria on coinpletion of their training). Following the grant of a Mining License to the Con1pany under this Agree1nent, the Con1pany shall increase the total annl1al contribl1tion to the inflation adjusted equivalent or US$500,000 (Five Hundred Thousand Dollars), which shall be payable on the anniversary of the Effective Date for the ren1ainder of the 1'er1n and shall be allocated for tl1e pur1)oses described in tl1e foregoing sentence in the same proportions provided therein. The intlatiort adjustn1ent shali account for the change in the Def1ator betv.'ecn the Effective [)ate and the date of issuance of the Mining License. ·rhis ~ . . ~-- , .

u;;1ount \Vlll in turn be adjusted annually iOr 1n11ation 111 the maru1er

provided for in Section l l.3(b)).

(b) The an1ounts payable pursuant to Section 11.3 (a) shall be adjusted annually for inflation for each payment after the initial payment in

proportion to the change in Deflator over the year ending on the last day of

the 1noi1th i1nn1ediately prior to the due date of each payment. The

Governn1ent's detcnnination of such amount shall be final, absent manifest

error.

( c) The an1ount referred to in clause (jj.) of Section l 1.3(a) shall be paid to the general revenue account of the Government and earn1arkcd for the

University of I,iberia. The c:o1npany's obligations u11der clause (iy) of

Section l l.3(a) shall include, but are not limited to, the funding up to the

amou11t provided in clause (iv) in each year (comn1encing in the year the

first Mi11ing I,icense is granted) of the expenses of at least one Liberian

citizen in a recognized graduate school for a 1naster's degpee or the

equivalent ia geology, rnining engineering, or a related field. The

Co1npany 1nay condition such funding on an agree1ncnt of the student to

work for the Con1pany, an ,\ffiliate of the Coinpany or an Affiliate of a

shareholder of the Cornpany upon graduation.

(d) ·rhe Company will, directly or indirectly in conjunction \Vith the Ministry of Education, ensure that there is available free primary and secondary

education (K-12) to the resident dependent children (up to the age of21)

of the Co111pany's en1ployc-es and of (Jovern1nent officials· ·and/or

employees assignee! to and regularly employed in a Production Area in an

ofiicial ca1)acity and \Vhu are resident in or adjacent to such Production

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11.4 \_;)cientific Research F'und.

The Company shall also 111ake an annual contribution t6 the Scientific Research Fund of One 1--lundrcd Thousand Dollars (US $100,000 (adjusted a11nually for inflation in the 1nanner provided for ·in Section l I .3(b)), commencing on the l:ffective Date and payable thereafter on the anniversary of the Effective Date, through the 'fern1. Such amount shall be adjusted annually for inflation in the manner provided in Section l l.3(b) and shall be paid into the general revenue account of the Government for the Scientific Research f·'und.

11.5 Audit Rights.

·rhe Company shall have the right to independently audit (at its O\vn expense) the use of any contributions n1ade pursuant to Sections 11.3( a) and ( c) or Section 11.4 and for this purpose sha!! be provided \Vith and have access to all relevant documentation and inforn1ation. ·rhe c=ompany shall not be required to make any contribution under Sections 11.3 and 11.4 that, in its view, would cause the Con1pany to be in violation of applicable Law including applicable anti-corruption laws.

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SECTION J2 USE OF LIBERIAN GOODS AND SERVICES

When purchasing goods and services related to Operations, the Company shall, and shall cause its Major Contractors, and will use reasonable efforts to encourage its other contractors, to, {i) organize tl1cir procurement practices to give n1eaningful opportunities to bid for contracts to those entitled to preference pursuant to clause (ii) of this sentence, and (ill give preference to the maximum extent possible to materials and goods produced in Liberia and services provided by natural persons who are citizens of Liberia resident in Liberia or entities incorporated or for1ned in Liberia where natural perso11s who are citizens of Liberia resident in I,ibcria are entitled to receive 60o/o or n1ore of a!I profits fron1 such entities, unless st1ch 1natcrials or goods are not provided in Liberia or such services are not provided by T~iberian persons. Subject to the foregoing, the Company a11d its contractors may freely contract with any Person. The Co1npany must report to the Minister within 60 days follovving the end of each financial Year on the extent to \.vhich the Company and its Major Contractors acquired during such year materials, goods and services frotn the preferred sources described in the first sentence of this Section 12: A

- "Major Contractor" is a contractor or a subcontractor who received more than US$200,000 directly or indirectly from the Company in the relevant Financial Year and who had significant operations in Liberia in that financial Year. Merely maintaining a representative office, or the nierc presence of Sltpcrvisory personnel to inspect or direct work performed by other contractors, do not constitute "significant operations" for the purposes of this Section l 2.

SECTION 13 ENVIRONMENTAL PROTECTION AND MANAGEMENT 13.1 The Company's Duty.

The cnviron1ncntal responsibilities of the Con1pany during F:xploration arc as set forth in the Exploration J{egttlations (as inodified by this Agreen1ent). Following the grant of a Mining I,iccnsc to the Con1pany, the (~on1pany shall conduct its Operations in accorda11ce witb Sections 8.1 through 8.3 of the Mining, Law, applicable J\_,aw, the World Bank/IFC Environ1nental J-Icalth a11d Safety Guidelines for Mining, the It'C Performance Standards on t<:nviro1nnental and Socia! Sustainability, the approved EMP and this Agreement. ·rhe Company shall in any event take appropriate prc\.'entive measures to protect all strea1ns and water bodies within or bordering l,iberia, all dry land surfaces, and the atmosphere from pollution, conta1ninati<)n or damage resulting from Operations. If Operations violate any requirc111ent referred to in the two previous sentences or otherwise have material adverse in1pact on the environment, the Con1pany shall proceed diligently to restore the en\1ironment as 1nuch as possible to its original and natural state (or to re1nediate the negative impact where restoration is i1npractical) and shall take appropriate preventive 111easurcs to avoid further n1aterial adverse impact on the e11viron111ent.

13.2 Environ1nental Reports and Audits.

(a) 'fhe Company sl1a!I deliver to the Minister, within 60 days after each anniversary of the date of the issue of the Mining f~icensc, an environn1ental report prepared by the Co1npany >vhich shall include an assess1nent of the Production /\reas under such license plus all areas

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OUlsit.ic iJJ the e:·oJucti~)IJ /\reas in vvhich the Company conducts Operations.

(b) The Company shall deliver to the Minister (D once every two years cornmencing with the second aru1iversary of the submission of the first e11vironmental report pursuant to Section l3.2(a) and (ii) on the last day of the Mining ·renn, an c11vironmental audit and assessment of the Production Areas under such license plus all areas outside of the Production Areas in \Vhich the Co1npany conducts Operations. The audit shall be perforn1ed or supervised by an environmental consultant who is not a regttlar employee of the Company or an Affiliate of the Company and \Vho is a registered engineer or scientist with at least ten years of experience i11 making environn1ental compliance assessments and audits in the mining i11dustry, the identity ofvvhom is agreed with tl1e Minister. The audit and assessn1ent are for the purpose of determining whether Operations since the beginning of the relevant period that is the subject of the audit are being conducted it1.-conformity with applicable enviro1unental Lav.' and the other requiren1cnts of this Agreement and the Company's approved EMP. St1ch audit and assessn1ent 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 assess1nent will also include a full accounting for all changes during such relevant period in the balance of any account established pursuant to th·e approved EMP to fund sucl1 restoration and remediation. If any Such audit and assessment for any relevant period identifies any failltre to co1nply v..1ith the requirements of Section 13. l or the EIV11J, the Con1pany shall promptly re1nedy Sllch situation at its own expense.

13 .3 (Jovernment Environmental Inspections.

The l\!Iinistcr or the EPA may conduct, at its own expense, periodic inspections of l~xploration Areas, Prodl1ction Areas and other areas in \Vhich the Con1pany conducts Operations following receipt by the Con1pany of at least tv.-·o Business Days' prior \Vritten notice of such inspection, provided that no prior written notice is required where tl1e inspection relates to a concern regarding employee health and safety or a negative environmental in1pact. As a condition to permitting such inspection, the Company may require (i) receipt of a copy of \Vritten 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 Gove1nment 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.,.

'lhe Cornpany shall periodically (not less frequently than every four years,

(a)

or as may oiherwise be required hy applicable J\_,a\v) update the EIA and the EMP to reflect the actual status of Operations at the time and updated risk asscssr11ents generally applicable vvith respect to Operations or Mine

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c:o~ur..:, a11c.l updatc-J estin1ates of the cusl 01 c~trryu1g out the closure

manage1ncnt plan.

(b) 'fhe Con11Jany shall also update the EIA and the ErvrP as a condition to making any n1aterial changes in Operations, or any Mine, Mining Plant or

Infrastructure 'f'hc updated EIA and EMl} (including an updated closure

managen1ent plan and budget) are to be submitted to and are subject to the

review and approval of the EPA i11 accordance vvitb 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 \Vith the agreed

funding schen1e pursuant to Section 5.7(c) if such action is required to

assure adequate and secure funding of estimated closure costs. The

Company shall in any event co1np!y with its undertakings contained in the

inost recently approved ELA. and EMP.

13.5 Scope ofl)uty to Cease Operations duriqg l{emcdiation.

Any environniental ren1ediation required by applicable r.aw or this Agree1nent to occur during the Mining 'f'crn1 shall 1101 require the Company to cease Operations during the restoration or re1ncdiation period ( excej}l to the extent necessary to carry out s11ch restoration or rernediation) so !ong as the Company is proceeding diligently to llnclertake the required restoration or ren1ediation and has ceased any a.c.tiv.ities .that constituted a violation of applicable La\\1 or a breach of the obligations of the Company under Section 13.I. l'his Section does not limit the right of the Minister to susiJend ()perations under Section 24 when Operations are causing a n1aterial adverse i1npact on the enviro11n1ent.

13.6 No Liability for ]}re\'.ious Negative Environ1nental IQJpact.

(a) 'rhe Con1pany shall assume no liability for and shall have no liabilily to any third pa11y for any negative environmental impact within any part of

an Exploration Area, Production Area or any other area in which the

Company is co11<lucting Operations in existe11ce 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 commencen1cnt

of any Exploration or other Operations ("Previous Negative Environmental

ln1pact").

(b) Tl1e Govcrnn1cnt shall inde1nnify and hold hannless the Company from any losses and liability incurred by it resulting 11-om any clain1s rnade

against the Coinpany by third parties which have arisen in con11ection with

Previous Negative Environn1ental Impact in respect of l~and O\Vned by the

Ciover111nent which it has 1nade available to the Con1pany for the purposes

of Operations (excluding any I~and that is made available to the Co1npany

pursuant to the exercise by the Gover111ncnt of its powers of eminent

dornain pursuant to Section 7 .J *),* provided that:

(i) the Co1upany shall notify the Minister of Justice promptly of any

suit, action, proceedings, claims, investigations and negotiations

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n1aJe against the Con1pan; in respect 1)f this Section 13.6 (a "Third

Pa11y Company Claim");

(ii) the Co1npany shall have the right to cond11ct all suits, actions,

proceedings, clain1s, investigations and negotiations relating to any

m3.tter referred to in this Section 13.6; and

(iii) in the conduct of any 'fhird Party Company Clain1, the Company

shall:

(A) if so required by the (fovernment, take all such ste1)s or

proceedings as the Governn1ent 1nay reasonably require

including steps to avoid, dispute, resist, mitigate,

con1pron1ise, defend or appeal agai11st any such 0rhird Party

Co1npany Claim (provided that such steps or proceedings

shall be taken at the Government's cost and expense);

(I~) provide the Governn1ent with all such inforn1ation and

reports concerning any such 'fhird Party Con1pany Clain1

and any steps or })roceedings taken by the Con11Jany as the

Government n1ay from ti1ne to ti111c reasonabl)r request; and

(C) not agree to settle and/or settle any such Third Party

Company Clain1 without prior written consent of the

Government (such consent not lo be unreasonably

\_\-vithheld).

SECTION 14 TAXATION

14.l La\V of General Applicability.

'fhe ('on1pany shall pay all 'faxes and Duties and conform to all procedures t pursuant to applicable Law except as may otherwise be provided in this Agreement.

14.2 Fiscal Regi1ne.

(a) Exhibit 3 to this Agreement sets forth certain modifications to the I{evenuc Code. 'fhe inodifications set out in Exhibit 3 shall be read i11 conjunction

with the Revenue Code as if such inodifications \Vere in force and

constituted applicable I~a\v for the purpose of determining the liabilities of

the Company under the Revenue Code. The Revcn11e Code as it \Vould

read were such modifications in force and constituted applicable Law is

l1erein called the "Agreed Revenue Code". ·rhe Agreed Revenue Code

shall apply to the Operations during the "fern1 and the Company shall be

bound by all the provisions thereof, except to tl1e extent that tl1e provisions

of this Agreement vary the provisions of the Agreed Revenue Code.

The Govcrnn1ent hereby <igrecs that with respect to those iten1s set out in

(b)

Section 17 of the Agreed Revenue *c:ode* and suhjcct to the lin1itations therein, the applicable ·raxcs and Duties shall he stabilized as of the

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i-~-.(fective l)ate for the period equal to the lesser of the 'l'crm or 15 years provided that such Taxes and Duties may be subject to adjustment as a result of periodic review of those items every five years, if the Company and the Government mutual!y agree on any sucl1 adjustn1cnts as provided in Section 31.2. After the Et1Cctive date, should the (iovernn1ent reduce the applicable ·ruxes and Duties be!o\v those ajJp!icahlc to the Company then the Co1npany will become entitled to such reductions upon providing notice to the Minister of Finance.

(c) Fron1 the l~~ffective Date until the expiry of two (2) years follov.ri11g Start of Co1nn1ercia! Production \Vith respect to the Production Area related to each :V1ining I~iccnse, the Con1pany shall be exen1pt fron1 all in1port duties, and excise charges, but shall be subject to the payment of a Custon1s lJscr Fee, on all 1nodules, plants, equip1nent, construction rnaterial, machinery, a11d heavy vehicles, capital spare parts, raw materials (other than gasoline and gas oil), and inter1nediate inputs, all of which arc specified in f~xhibit 7, for use in a Production Area as to \vhich such period shall not hnve expired.

(d) 1·he Cornp::iny shall pay a Customs User Fee not exceeding l.5 percent (I .5o/o) of the C'.If' l,iberian Port value of i1nported goods or US$10,000.00 per ite1n, which ever is less, in accordance \vith the Agreed [{evenue Code, in respect of a!l items that arc exen1pted from the import duty as provided for in Sectior1 14.2(c), all of which iterns are specified on Exhibit 7 hereto. For the avoidance of doubt, the Company shall not pay any Customs User f'ce 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 pa)' .:iny c:uston1s User Fee in respect of any goods 011 export of such goods but will be subject to inspection fees, \Vhere applicable, in accordance with Section 16.3.

(e) Sections 14.2 (c) and (d) shall apply to the Con1pany's contractors and their subcontractors to the. extent that such contractors and subcontractors arc exclusively rendering goo(ls 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 arc identified as goods or services exclusively relating to the Operations.

14.3 Withholding Tax.

(a) Jn the case of a transfer of an interest in the Company, the Company or any transferor of such interest shall pay a withholding tax to tl1e Governn1ent of fifteen 15 percent of the value of all cash and other consideration received directly or indirectly by the transferor or any other entity \Vith respect to such transfer in accordance \Vith the Lav.' of general application \Vi thin ten (I 0) days after the last day of the calendar month in which such transfer sha!! have oceu1Ted.

l'he pay1nent of withholding tax refCrred to in paragraph (a) above shall

(b)

be accon1punied by docun1entation of all an1ounts and the value of any

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...:ou:>1Lleration paid witl1 respect to sucl1 transfer and such other

reasonable docun1entation as the Ministry of Finance may require. Such

documentation shall be certified as true, correct, and complete by the

chief executive officer and the chief financial officer of each of the

transferors and transferees of any interest.

(c) 'fhe Shareholders and Sesa Goa ackno\.vledge that the sale of an equity interest in Western Cluster to Bloom on or prior to the date hereof, and

the payn1ent therefor on or prior to the F~ffective Date, shall require

payn1ent of Vv'ithholding tax to the CJovern1nent in accordance with this

Section 14.3. illoon1 agrees that it shal! '.Vithhold l5o/o of the

consideration payable to Elenilto in the an1ount of US$13,500,000

(1.hirtecn l\1i!lion Five Hundred Thousand Dollars) for the purchase of

*S* 1°/o of the outstanding shares of capital stock of the Company, which is

US$90,000,000 *(Ninety* Million Do!lars), and rcn1it such amount to the

Government directly froin the escrow account by JPMorgan in

accordance with applicable procedures and acco1npanied by the

applicable docun1cntatil)n provided above a11d by applicable Lav.',

prom11tly follo\ving certification by the !v1inister of Justice that this

Agrec1nen1 has been ratified by the National Legislature. Following the

issua11ce of the release notices (Exhibits **-1** lA and **1** lR), sent b)' the

Minister of Justice to JPiv1organ London, the withholding tax of

US$13,500,000 ('fhirteen Million Five liundred Thousa.nd lJnited States

Dollars) shall be transferred directly to the general revenue account of

the Governn1ent of Liberia. Eleni Ito and Sesa (Toa shall be liable to pay

such withholding tax to the' extent Bloorn docs not \Vithhold such a1nount

and rcn1it it to the Governffient.

(d) No trar1sfcr uf any interest shal! be effective until such docu1ne11ts have been delivered and such withholding tax is paid; provided that the

transfer of shares **in** \Vestern c:Juster to J3loon1 described in Section

14.3(c) shall be deen1ed to b.c effective at such tin1e as the necessary

v.•ithholding tax and applicable docu1nents are deposited \Vith an escrow

agent to be held and applied in accordance V·iith instructions acceptable

to the Government.

SECTION 15 ROY AL TIES, DETERMINATION OF FAIR MARKET VALUE, EXPORT SALES PRICE

! 5.1 Royalties.

(a) "[he Con1pany shall pay the Governn1ent a royalty of 4.5 percent (the "Royalty Rate") n1ultiplicd by the fair rr1arket value deterrnined in accordance \Vith Sectio11 703 the Revenue ('ode, (such payment collectively, the ''Royalty~").

(b) ·rhe Royalty shall be paid to the general revenue acc.ount of the Ciovernn1ent in Dollars on the date of ship1nc11t in respect of \vhicl1 fJayrncnt nf a Royalty is to be made. At the time nf making sucl::ayment,

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ti1..: c·:ornp.:iny shall provide rhc Ministry of Finance with a statement showing the manner of computation of the Royalties due in such detail as the Ministry of Finance may require by regulation or otherwise.

15.2 Fair Market Value the Sales Price· ron1putation of Gross Income.

cfhe fair 111arket value f.o.b. Liberia for purposes of Section 703 of the Revenue Code and the sales price for computing gross revenue for purposes of Section 20 I of the Revenue Code shall be:

(a) i11 il1e case of a sa!e to a non-Affiliate f.o.b. Liberia, th.e actual sales price paid or payable f.o.b. Liberia, and

(b) in the ease ofa sale to an Affiliate f.o.b. Liberia in connection with a back to-back sale by the Affiliate to a non-Affiliate f.o.b. Liberia, the actual sales price paid or payable f.o.b. Liberia to the Affiliate by the non Affiliate.

In all other cases the fair rnarkct value for p11rposes of Section 703 of the Revenue Code and the transfer price for transactions between Related Persons provided for in Section 713 of the Revenue c:ode (such transfer price to be l!Sed for computing gross re\'enue for purposes of Section 201 of the Revenue Code) shall be determined in accordance v.-·ith the Pricing Agreen1cnt provided Car in Section 15.3.

15.3 The Pricing Agree1ncnt.

(a) Prior to the approved of the i:easibility Report, the Governn1ent and the Company shall c11ter into an agree1nent (the "Pricing Agreement") wl1ich shall set out the n1ethod for determining (i) the fair rnarket value of each Product consistent \Vith the requiren1ents of Section 703 of the Revenue Code and (.ii) the transfer price for each Product consistent with the rcquiren1ents of Section 713 of the Revenue Code. */*

(b) Upon request fron1 the Government, the Company shall deliver to the Government:

(i) such documentation and information as may be required, pursuant to the Rev·enue Code, of a taxpayer in con11ection with the calculation of any Royalties payable; and

(ii) such other information requested by the (J-ovcrnment that is reasonably relevant to the determination of the fair market value or transfer price for each Product.

(c) If either party in good faith believes that the values for the fair market value or the transfer price of any Product dctern1incd purs11ant to the Pricing Agreen1ent are no longer consistent with the requirements of Sections 703 and 713, respectively of the Revenue Code, the parties will seek to agree upon a revised Pricing Agrec1nent.



(l•,1 ::<.iilu1g '.1gr.-:.c1ncut b,~l\Y~.::n the partit:s vn J. r;r1c1ng 1\green1enr for dcter1nining the fair market value or the transfer price or any revisions thereto, such 1natters shall be detern1ined by a single arbitrator as provided by Section 27.5, such arbitrator to be a recognized expert in the pricing of Iron C)rc. cfhe Pricing Agreement and any decision by an arbitrator if sucl1 is required shall be public and shall be posteJ by the Govern1nent electronically or through such other means as may be provided by regulation and shall be attached to this Agreement as Exhibit 4.

SECTION 16 OTHER I' A YMENTS TO THE GOVERNMENT 16.1 Processing and De!av t~ees.

All tCes in connection \Vith I:xploration shall be in the an1ount and paid as provided in the Exploration IZegulations. T'he follo\ving additional processing fees apply under this Agree1nent. No action will be taken with respect to any filing or application referred to in any Section of this Agreement rcqtiiring the pay1nent of a processing fee \Vith tile application until the Minister receives confirn1ation 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 tv1inister receives confirn1ation that the relevant tee has been paid.

'rhe processing fee [Or the filing of a notice designating one or 1nore Proposed Production Areas and the accompanying Mining License application 1s lTS$10,000 per Proposed Production Area, payable on filing of the notice.

(a) ·rhe processing fee for the filing of a Feasibility Report is US$l0,000, payable on filing of the feasibility IZeport.

(b) 'fhe fee for a six n1onth extension of the ti1ne to designate Proposed Production Areas pursuant to clause (i) of Section 5.3(a) is US$15,000, payable on filing of the notice of extension.

( c) The fee for a six n1onth cxtc11sion of the tin1e to file a Feasibility Ileport pursuant to clause (ii\_) of Section 5.3(a) is lJS$ l 00,000, payable on filing of the notice of extension,

(d) 'fbe processing fee for an application to postpone developn1ent under Section 5.4 is LJS$500,000, payable on filing of the application.

(e) 'lhe processing fee for an application to niodif)' or amend a Feasibility Report is lJS$ l 0,000, payable on filing of the application.

(f) The processing fee in connection with an application for a consent required under Section 23 is lJS$10,000, payable on filing of the request for consent.

16.2 ECOWAS 1'rade Le\'.Y~.

Not\vithstan<ling Co1npany under

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any general exemption fro1n import duties applicable to the the f{evenue Code or this Agreement, the C.'01npany shall be

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