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☎ 031-46161/46162
Fax: (233) - 31 - 46163



REPUBLIC OF GHANA

LANDS COMMISSION
P. O. BOX 407
SEKONDI
GHANA

12TH DECEMEBR, 2016

Dear Sir/Madam,

LANDS REGISTRY ACT, 1962 (ACT 122)

INSTRUMENT: MINING LICENCE DATE: 17THOCTOBER, 2016 TERM: 10 YRS

COMMENCEMENT DATE: 17THOCTOBER, 2016

LICENSOR: THE GOVERNMENT OF THE REPUBLIC OF GHANA

LICENSEE: GOLDEN STAR (BOGOSO/PRESTEA) LIMITED

PLOT NO: PLOT OF LAND AREA: 63.00 KM² RENT: GH¢

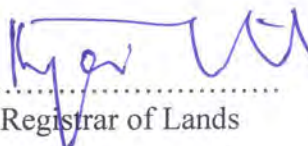
LOCATION: MAMPON – WASSA AMENFI EAST DISTRICT

FIND ENCLOSED HEREWITH YOUR MINING LICENCE REGISTERED AS

DEEDS NO: 10599 UNDER SERIAL NO: 2097/2016

PLEASE ACKNOWLEDGE RECEIPT.

Yours Faithfully,


.....
Registrar of Lands

**GOLDEN STAR (BOGOSO/PRESTEA) LIMITED
POST OFFICE BOX 16075
AIRPORT-ACCRA, GHANA**

170788-16
30/11/16

LVDCAST 29/11/2016

THIS MINING LEASE AGREEMENT (hereinafter called "the Mining Lease") is made the 17th day of October 2016 BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA (hereinafter called "the Government") acting by **NII OSAH MILLS**, the Minister of Lands and Natural Resources (hereinafter called "The Minister") of the one part and **GOLDEN STAR (BOGOSO/PRESTEA) LIMITED** with registered address at **P. O. BOX 16075, AIRPORT-ACCRA, GHANA** (hereinafter called "the Company") of the other part.

WHEREAS:

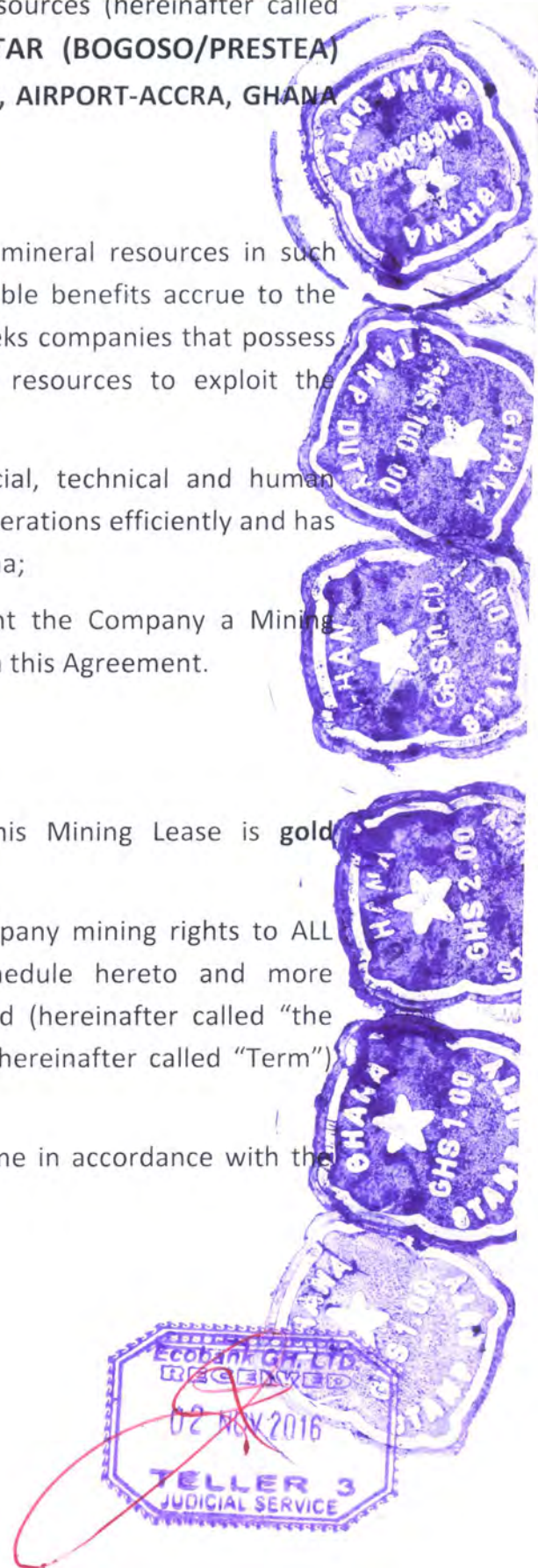
- A. The Government is desirous of developing its mineral resources in such manner as will ensure that the maximum possible benefits accrue to the nation from the exploitation of minerals and seeks companies that possess the necessary financial, technical and human resources to exploit the minerals efficiently;
- B. The Company warrants that it has the financial, technical and human resources required for undertaking the mining operations efficiently and has declared itself willing to engage in mining in Ghana;
- C. The Government has therefore agreed to grant the Company a Mining Lease on the terms and conditions provided for in this Agreement.

NOW THIS AGREEMENT WITNESSES AS FOLLOWS:

1. GRANT OF MINING RIGHTS

- a. The authorised mineral the subject of this Mining Lease is **gold** (hereinafter called "the Mineral").
- b. The Government hereby grants to the Company mining rights to ALL that piece of land described in the schedule hereto and more particularly delineated on the map attached (hereinafter called "the Lease Area") for a term of **Ten (10) years** (hereinafter called "Term") from the date of this Mining Lease.
- c. The Term may be renewed from time to time in accordance with the Minerals and Mining Act, 2006 (Act 703).

H/c 7773/11/2016



- d. The Government hereby grants to the Company the exclusive rights to work, develop and produce the Mineral in the Lease Area for the said Term (including transportation, processing, and storing with the rights and powers reasonably incidental thereto) subject to the provisions of this Mining Lease.
- e. This Mining Lease is subject to ratification by Parliament in accordance with Article 268(1) of the Constitution and section 5(4) of Act 703. Upon the execution of this Mining Lease, the Company shall submit a certified true copy of the Mining Lease to the Minister to be laid in Parliament for ratification.
- f. The Company shall not however conduct any operations in a reserved area, restricted area, protected area or designated area and shall not without the prior written consent of the Minister conduct any operations:
 - i. within 100 metres of any forest reserve, river, stream, building, installation, reservoir, dam, public road, railway or area appropriated for a railway; or
 - ii. within 300 metres of a pylon; or
 - iii. in an area occupied by a market, burial ground, cemetery or within a town or village or an area set apart for, used, appropriated or dedicated to a public purpose.
- g. The Company shall, in accordance with Section 69 of Act 703 and Regulation 20 of the Minerals and Mining (General) Regulations, 2012 (L.I. 2173) commence commercial production of the approved mineral not later than twenty-four (24) months from the date of grant of this Mining Lease.
- h. The Company shall take all practical steps to avoid damage to land, trees, crops, buildings, structures and other property in the Lease Area. Where such damage cannot be avoided, the Company shall provide fair and reasonable compensation in accordance with Section 72-75 of Act 703 and the Minerals and Mining (Compensation and Resettlement) Regulations, 2012 (L.I. 2175).



- i. The Company shall permit the public to use without charge and at their sole risk, any road constructed by the Company in the Lease Area, provided that such use does not unreasonably interfere with the operations of the Company and such permission shall not extend to areas designated as active mining areas.
- j. No provision in this Agreement shall be deemed to confer any rights on the Company which conflicts with the provisions of Act 703 or permits the Company to dispense with the necessity of applying for and obtaining any permit or authorisation which the Company may be required by Law or Regulation to be obtained in respect of any work or activity proposed to be carried out under this Mining Lease.

2. GRANT OF RIGHTS TO THIRD PARTIES IN THE LEASE AREA

- a. Subject to Clause 6(b) of this Mining Lease, the Government may grant mineral rights to third parties to prospect for or to enter into agreements for the production of minerals other than the Mineral in the Lease Area, provided that any such activity shall not unreasonably interfere with the rights granted to the Company under this Mining Lease.
- b. Where a third party applies for a mineral right under paragraph (a) of this Mining Lease for a mineral other than the Mineral the subject of this Mining Lease, the Minerals Commission (hereinafter called "the Commission") shall notify the existing rights holder of the application in accordance with Regulation 176 of the Minerals and Mining (Licensing) Regulations, 2012 (LI 2176).
- c. Where the Commission gives the Company notice under this Clause, the Company may exercise the first option to add the mineral to the existing mineral not later than fifteen (15) days from the date of the notice, failing which the Commission may process the application of the third party in accordance with Law.

3. POWER OF GOVERNMENT TO EXCLUDE PARTS OF THE LEASE AREA

- a. The Government may by notice in writing to the Company exclude from the Lease Area at any time, any part which may be required for any stated public purpose whatsoever, provided that:



- i. Any part of the Lease Area so excluded shall cease to form part of the Lease Area and no mining operations shall be conducted on the part so excluded;
 - ii. No part of the Lease Area shall be excluded in respect of which the Company has given prior notice specifying that such part is required for mining operations or on which active operations have commenced or are in progress (such as digging, excavation, construction, installation or other works related to mining of the minerals the subject of this Mining Lease);
 - iii. The Government shall not take to itself or grant to third parties the right to mine the Mineral from any part that is excluded under this clause.
- b. The company shall be relieved of all liabilities or obligations in respect of any part excluded under this clause except liabilities or obligations accrued prior to such exclusion.

4. WORK OBLIGATION

The Company shall continuously operate in the Lease Area in accordance with applicable laws and regulations and consistent with good mining practices until such time as the reserves or deposits may be exhausted or the Mine can no longer be economically worked or until this Agreement expires, whichever shall be sooner.

5. CONDUCT OF OPERATION

- a. The Company shall:
 - i. conduct all of its operations with due diligence, efficiency, safety and economy to the maximum extent possible consistent with good mining practices and in a proper and workmanlike manner, observing sound technical and engineering principles and practices, using appropriate modern and effective equipment, machinery, materials and methods;
 - ii. ensure conservation of resources, reclamation of land and protection of the environment;
 - iii. mine the minerals using appropriate mining methods and technologies in the Lease Area.



- b. The Company shall maintain all equipment in good repair and keep all working areas in good and safe condition and take all practical steps to:
 - i. prevent damage to adjoining farms and villages;
 - ii. avoid damage to land, trees, crops, buildings, structures and other property in the Lease Area;

Provided that where such damage is unavoidable, the Company shall pay fair and reasonable compensation in accordance with Section 72-75 of Act 703 and L.I. 2175.

- c. The Company shall fence off effectually from the adjoining lands, all pits, shafts and other works made or used in accordance with the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I. 2182) and the provisions of this Mining Lease.
 - d. The Company shall as far as is necessary or practicable provide and maintain in good repair and condition, roads, gates, stiles and fences for the safe occupation of the Lease Area.
 - e. The Company shall provide and maintain proper and sufficient drains, culverts, arches and passageways for carrying off any waters which shall arise or be produced or interrupted by any of the works authorised so that the drainage of the Lease Area may not be negatively affected.
 - f. This Mining Lease does not permit the Company to obtain for treatment minerals, tailings or any ore from areas that are not part of the Lease Area, except where such minerals, tailings or ore are produced by the Company under another Mineral Lease.
 - g. This Mining Lease does not permit the Company to obtain for treatment minerals, tailings or any ore from third parties unless such minerals, tailings or ore are produced by a mineral right holder who has obtained the requisite licence or permit from the Minister to do so.
6. NOTIFICATION OF DISCOVERY OF OTHER MINERALS
- a. The Company shall notify the Commission and the Ghana Geological Survey of the discovery of an occurrence of any other mineral in the Lease Area apart from the Mineral the subject of this Mining Lease.



- b. In accordance with Section 15 of Act 703, the Company shall have the first option to apply to prospect for or mine the new minerals discovered in the Lease Area.
- c. Where the Company gives notice under this Clause, the procedure outlined under Clause 2 of this Lease shall apply.

7. SAMPLES

- a. The Company shall not during the subsistence of this Mining Lease remove, dispose of or destroy, except in analyses, any cores or samples obtained from the Lease Area without the prior written consent of the Ghana Geological Survey and the Commission.
- b. The Company shall provide the Ghana Geological Survey and the Commission with such samples from the Lease Area as they may from time to time reasonably request, and shall keep such samples as may be directed by the Chief Executive Officer of the Commission.

8. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

- a. The Company shall comply with the provisions of L.I. 2182 and all such reasonable directives as may from time to time be given by the Commission for securing the health and safety of persons engaged in or connected with the mining operations.
- b. Before undertaking an activity or operation under this Mining Lease, the Company shall obtain the necessary approvals and permits as may be required by law from the Forestry Commission, Water Resources Commission and the Environmental Protection Agency or any other Regulatory body.

9. POWER OF THE MINERALS COMMISSION TO EXECUTE CERTAIN WORKS:

Where the Company fails at any time to comply with any provisions of this Mining Lease or applicable law and such failure is likely, in the opinion of the Commission, to endanger the health or safety of persons, or result in damage to mining equipment or other structures or installation, the Commission shall after giving the Company reasonable notice, execute any works which are deemed necessary and practicable in the circumstances



and the Company shall be liable to pay a penalty and the costs and expenses incurred by the Commission in carrying out such works.

10. LIABILITY FOR DAMAGE OR INJURY AND INDEMNITY

- a. No provision in this Agreement shall exempt the Company from liability for any damage, loss or injury caused to any person, property or interest as a result of the exercise by the Company of any rights or powers granted to it under this Mining Lease.
- b. The Company shall at all times indemnify the Government and its officers and agents against all claims and liabilities in respect of any loss suffered by or damage done to third parties arising out of the exercise by the Company of any rights or powers granted to it under this Mining Lease provided that the Company shall not so indemnify the Government, its officers and agents where the claim or liability arises out of the wrongful or negligent acts of the Government, its officers and agents.

11. RECRUITMENT OF EXPATRIATES, TRAINING OF GHANAIS AND USE OF LOCAL PRODUCTS

- a. The Company shall engage expatriates for the Company's operations in accordance with the provisions of the L.I. 2173.
- b. The Company shall comply with L.I. 2173 in relation to the training of Ghanaians and procurement of local goods and services.
- c. Notwithstanding any penalties provided in L.I. 2173 or any other laws for non-compliance, the Minister may suspend the Mining Lease until the Company complies with the provisions of the law.

12. AFFILIATED COMPANY TRANSACTIONS

- a. Any transaction between the Company and an affiliated company shall be on arm's length basis, consistent with the Transfer Pricing Regulations, 2012 (L.I. 2188) and International best practice.
- b. The Company shall notify the Ghana Revenue Authority and the Commission of any and all transactions between the Company and an affiliated company and shall supply the details relating to such transactions to the Ghana Revenue Authority and the Commission in accordance with any guidelines provided by the institutions.



- c. The Company shall, at the request of the Ghana Revenue Authority or the Commission, provide such justification of costs as may be required, duly supported by an Auditor's certificate if necessary.

13. TECHNICAL RECORDS

- a. The Company shall maintain at its registered and mine offices complete technical records of its operations in the Lease Area in such form as may from time to time be approved by the Commission and the Ghana Geological Survey.
- b. The Company shall maintain at the said offices copies of all reports and of all tests and analyses, geological and geophysical maps, diagrams or charts relevant to its operations. These reports and records may be examined by officials of the Commission and the Ghana Geological Survey or acting on behalf of the Government or authorised in writing by the Minister.
- c. The Company shall maintain at the said offices correct and intelligible plans and sections of the mining operations, including any faults or disturbances which have been encountered in such workings and operations. All such plans and sections shall be made, amended and completed from actual surveys conducted for that purpose.
- d. Upon expiration or termination of this Agreement or the surrender of any part of the Lease Area, such records and data as are required to be maintained pursuant to this Clause shall be delivered to the Commission and the Ghana Geological Survey in accordance with Section 71 of Act 703 and same shall become the property of the Government without charge.

14. PRODUCTION RECORDS

The Company shall maintain at its registered and Mine offices complete and accurate records of its production in the Lease Area in such form as may from time to time be approved by the Commission.

15. FINANCIAL RECORDS

- a. The Company shall maintain at its registered and Mine offices, detailed and complete accounts and systematic financial records of its operations as may be required by law. The books of account shall show all revenues



received by the Company from all sources including its operations under this Mining Lease, as well as all its expenditure.

- b. The Company shall provide a clear basis for understanding and relating the financial records and accounts to its operations.
- c. The Company's books of account shall be kept in accordance with generally accepted accounting principles.
- d. The Company shall keep separately records and financial statements in terms of Ghana currency and also in terms of U.S. Dollars or other international currency and may record in foreign currency such claims and liabilities as arise in such foreign currency.
- e. The Company's books of account shall be audited within three (3) months after the close of each Financial Year by a qualified auditor who is a member of a recognised professional auditing or accounting body. Such auditing shall not in any way imply acceptance of its results by the Government or preclude the Government from auditing such books of account. The Company shall deliver to the Minister without charge, copies of all or any part of such financial records as the Minister may from time to time reasonably request.

16. REPORTS

- a. The Company shall furnish a report each quarter, to the Minister, the Commission and the Ghana Geological Survey, in such forms as may from time to time be required, regarding the quantities of the approved minerals mined in that quarter, quantities sold, the revenue received and royalties paid or payable for that quarter and such other information as may be required. Such reports shall be submitted not later than thirty (30) days after the end of each quarter.
- b. The Company shall furnish a report each half-year to the Minister, the Commission and the Ghana Geological Survey in such form as may from time to time be required, summarising the results of its operations in the Lease Area during the half-year and records to be kept by the Company pursuant to Clauses 14, 15 and 16 of this Mining Lease. Each report shall include a description of any geo-scientific work carried out by the



- Company in that half-year and a plan showing the Mine, installations and workings. Such reports shall be submitted not later than forty (40) days after the half-year to which they relate.
- c. The Company shall furnish a report each Financial Year in such form as may from time to time be required to the Commission and the Ghana Geological Survey summarising the results of its operations in the Lease Area during that Financial Year and the records required to be kept by the Company pursuant to Clauses 14, 15, and 16 of this Mining Lease. Each report shall include a description of the proposed operations for the following year with an estimate of the production and revenue to be obtained from the operations. Such reports shall be submitted not later than sixty (60) days after the end of each Financial Year.
 - d. The Company shall furnish the Minister, the Commission and the Ghana Geological Survey not later than three (3) months after the expiration or termination of this Agreement, with a report giving an account of the geology of the Lease Area including the stratigraphic and structural conditions, together with a geological map drawn on an approved scale.
 - e. The Company shall furnish the Minister and the Commission, with a report of the particulars of any proposed alteration to its Company's Regulations. The Company shall also furnish the Minister and the Commission with a report on the particulars of any fresh issues of shares of its capital stock or borrowings in excess of an amount equivalent to the Stated Capital of the Company. All such reports shall be in such form as may be required by the Commission and shall be submitted not less than twenty-one (21) days (or such lesser period as the Minister may agree) in advance of any proposed alteration, fresh issue or borrowing, as the case may be.
 - f. The Company shall, not later than One hundred and eighty (180) days after the end of each Financial Year, furnish the Minister and the Commission with a copy each of its annual financial reports including a balance sheet, profit and loss account, and all notes pertaining thereto, duly certified by a qualified accountant who is a member of a recognised professional accounting body. Such certificate shall not in any way imply acceptance of



such reports by the Government or preclude the Government from auditing the Company's books of account.

- g. In accordance with Regulation 3 of L.I. 2173, the Company shall furnish the Commission and the Ghana Revenue Authority with certified copies of refinery returns not later than thirty (30) days after a shipment of minerals.
- h. The Company shall also submit monthly and annual returns and any other reports as may be required under LI 2173.
- i. The Company shall also furnish the Minister, the Commission and the Ghana Geological Survey with such other reports and information concerning its operations as they may from time to time reasonably require.
- j. The reports required under this Clause are without prejudice to any other reports that may be required under any applicable laws or regulations.

17. INSPECTION

- a. Authorized Officers of the Commission or any person authorised by the Minister in writing shall be entitled at all reasonable times to enter into and upon any part of the Lease Area and the Company's registered office to:
 - i. examine the Mine workings, equipment, buildings, installation and any other structures used in the mining operation;
 - ii. inspect the samples which the Company is required to keep in accordance with the provisions of this Mining Lease;
 - iii. inspect and check the accuracy of the weights and measures and weighing and measuring devices, used or kept by the Company;
 - iv. examine and make abstracts of the books and records kept by the Company pursuant to this Mining Lease;
 - v. verify or ensure compliance by the Company with all applicable laws and regulations and with its obligations under this Mining Lease;
 - vi. execute any works which the Commission may be entitled to execute in accordance with the provisions of Act 703, Regulations and this Mining Lease.



- b. The Company shall make reasonable arrangements to facilitate any such work or inspection, including making available employees of the Company to render assistance with respect to any such work or inspection. All such works and inspections shall be recorded by both the Authorized Officer and the Company. In the case of the Company, such inspection shall be recorded in the reports submitted each half year.

18. CONFIDENTIAL INFORMATION

- a. Any information or material supplied by the Company to the Government pursuant to the provisions of this Mining Lease shall be treated as confidential by the Government, its officers and agents and shall not be revealed to third parties except with the consent of the Company (which consent shall not be unreasonably withheld) for a period of twelve (12) months with respect to technical information and thirty-six (36) months with respect to financial information from the date of submission of such information or upon termination of this Mining Lease whichever is sooner.
- b. Information already in the public domain shall not be treated as confidential information.
- c. Subject to this Clause, records, documents and information furnished or attained pursuant to this Mining Lease shall be made available for inspection and copy by the public, on payment of the prescribed fee.
- d. The Government and persons authorised by the Government may nevertheless use any such information received from the Company for the purpose of preparing and publishing reports or analyses relating to minerals in Ghana and in connection with any dispute between the parties.

19. FINANCIAL OBLIGATIONS

- a. The Company shall pay all fees, charges and penalties as provided under applicable Laws and Regulations.
- b. In accordance with Section 23 of Act 703 the Company shall pay an annual ground rent to the Office of the Administrator of Stool Lands. Payment of



this amount shall be made yearly in advance, the first year's payment having been made on or before the issue of this Mining Lease.

- c. The Company shall pay an annual mineral right fee in accordance with Section 24 of Act 703 and the applicable provisions of L.I. 2176.
- d. In the event of a surrender of any part of the Lease Area pursuant to Clause 25 of this Mining Lease, no payments shall be refunded in whole or in part for any area so surrendered for which an annual fee or charge has been paid in advance nor shall such payments be refunded in the event of termination.

20. ROYALTIES

- a. The Company shall pay to the Government royalty as prescribed by law.
- b. The Company shall pay royalty to the Government through the Ghana Revenue Authority in the manner that may be prescribed by law.
- c. Any necessary adjustments to the royalty paid in any year shall be made within thirty (30) days of the end of that Financial Year, except that any over-payment of royalty shall not be refunded by the Government but shall be credited against royalty due and payable in the following year.
- d. In the event of a dispute with respect to the amount of royalty payable, the Company shall first make payment of the lower of the disputed amounts and shall pay immediately any further royalty which shall be agreed upon or determined by the Ghana Revenue Authority to be payable. Such further royalty shall carry interest at the prevailing prime rate in Ghana at the time of the resolution of the dispute or agreement to take effect from the date on which such amount ought originally to have been paid.

21. LATE PAYMENTS

- a. Notwithstanding anything to the contrary the Company shall pay as penalty for any late payment of any amounts due to the Government under this Mining Lease, an amount calculated at the prevailing Bank of Ghana prime rate for every thirty (30) days' period that the amount due remains unpaid.



- b. In the event that the Company fails to make payment to the Government of any amount due under this Mining Lease, the Government without prejudice to any other rights and remedies to which it may be entitled, may, after giving thirty (30) days' notice in writing, enter into or upon the Lease Area and seize, distrain and sell, all or any of the stocks of the minerals produced by the Company, and the plant and equipment, materials and supplies belonging to the Company; and out of the monies obtained from the sale in respect of such distress may retain and pay all of the arrears of any amounts due and the costs and expenses incidental to any such distress and sale and deliver up the surplus (if any) to the Company.

22. TAXATION

The Company shall pay tax in accordance with the applicable laws of Ghana.

23. FOREIGN EXCHANGE

All foreign exchange transactions by the Company shall be in accordance with the laws of Ghana.

24. SURRENDER

- a. The Company may surrender all its rights in respect of all or any part of the Lease Area in accordance with Regulation 199 of L.I. 2176.
- b. The Company shall be relieved of all obligations in respect of the part or parts of the Lease Area surrendered except those obligations which accrued prior to the effective date of surrender.
- c. The Company shall leave the part of the Lease Area surrendered and everything in the Lease Area in a safe condition, and shall take all reasonable measures in accordance with good mining practices to leave the surface of such part of the Lease Area surrendered, in good and usable condition having regard to ecological, drainage, reclamation and other environmental requirements. In the event that the Company fails to do so, the Commission shall make such part and everything thereon safe at the expense of the Company.



- d. The Company shall, on such terms and conditions as may be agreed upon between the Government and the Company including the payment of appropriate compensation under applicable laws, be entitled to such wayleaves, easements or other rights through or across the surrendered part or parts as may be necessary for its operations and such rights shall not form part or be included in the calculation of the area of the retained part.
- e. The Government may require that there be reserved over any part surrendered such wayleaves, easements or other rights as will in its opinion be necessary or convenient to any party to whom the Government may subsequently grant a prospecting licence or mining lease.

25. EXTENSION OF TERM OF MINING LEASE

Where the Company applies for an extension of the term of the Lease in accordance with Regulation 189 of L.I. 2176, the Company may be granted an extension based on justifiable technical and financial reports and upon such terms and conditions as may be granted by the Minister provided that the Company is not in default in the performance of any of its obligations under this Lease or any laws at the time of the application.

26. TERMINATION OF AGREEMENT BY COMPANY

The Company may, if in its considered opinion the Mine can no longer be economically worked or for other stated reasons terminate this Mining Lease by giving not less than nine (9) months' notice to the Government. Such termination shall be without prejudice to any obligation or liability incurred by the Company under this Mining Lease prior to the effective date of such termination.

27. TERMINATION OF AGREEMENT BY GOVERNMENT

- a. The Government may terminate this Mining Lease where the Company:
 - i. fails to make any payments as required under this Mining Lease or under any law by the due date;
 - ii. fails to conduct its operations in accordance with the programme of mining operations as contained in the feasibility report submitted for obtaining this Mining Lease;



- iii. is or becomes insolvent or bankrupt or enters into any agreement or scheme of composition with its creditors or takes advantage of any law for the benefit of debtors or goes into liquidation, whether compulsory or voluntary, except for the purposes of reconstruction or amalgamation;
 - iv. knowingly submits any false statement or gives false information to the Government in connection with its operations;
 - v. fails to submit reports on its operations for more than ninety (90) days after the reports are due;
 - vi. contravenes or fails to comply with any other provisions of this Mining Lease.
- b. The procedure provided in Regulation 200 of L.I. 2176 shall be applicable where any of the events stated in paragraph (a) occurs.
 - c. Upon termination of this Mining Lease by the Government, every right of the Company under this Lease shall cease (save as specifically otherwise provided in this Lease) but subject nevertheless and without prejudice to any obligation or liability imposed or incurred under this Lease or applicable law prior to the effective date of termination and to such rights as the Government may have under the law.
 - d. No delay, omission or course of dealing with the Company by the Government shall impair any of its rights under this Mining Lease or be construed to be an acquiescence or a waiver of the right of the Government to terminate this Lease.

28. ASSETS ON TERMINATION OR EXPIRATION

- a. The Company shall within six (6) months of the termination of the Mining Lease remove the mining plant provided that the mining plant shall be removed solely for the purpose of use by the Company or a person deriving title through the Company, in another relevant mining activity in the Country.
- b. Where the Company fails to remove the plant after the expiration of the period specified in paragraph (a), the Minister shall give the Company two (2) months' notice to do so. Where the Company fails to remove the



mining plant after the expiration of the period specified in the Minister's notice, the mining plant shall vest in the Republic without further notice.

- c. No provision in this Mining Lease removes or diminishes an obligation that the Company may have under Act 703 or an applicable law or a condition of this Mining Lease to remove a mining plant and rehabilitate the land.
- d. Notwithstanding the foregoing, the Minister, may by notice to the Company require the removal or destruction of any assets of the Company in the Leased Area, and where the Company does not remove or destroy such assets within a period of thirty (30) days from the date of the Minister's notice to that effect, the Minister shall cause such removal or destruction at the expense of the Company and the Minister shall apply appropriate penalties.
- e. The Company shall take all reasonable measures to ensure that any asset to be transferred to the Government in accordance with this paragraph shall be maintained in substantially the same condition in which they were at the date of the termination or the date on which the Company reasonably knew that such termination would occur and any such assets shall not be disposed of, dismantled or destroyed except as specifically provided for in this paragraph.

29. COMPANY'S OBLIGATIONS ON TERMINATION

- a. Upon the termination or expiration of this Mining Lease, the Company shall leave the Lease Area and everything in the area in good condition, having regard to ecological, drainage, reclamation, environmental protection, and health and safety requirements. In this connection, the Company shall fill up or fence and make safe all holes and excavations in accordance with good mining practices and to the reasonable satisfaction of the Commission.
- b. The Company shall take all reasonable measures to leave the surface of the Lease Area in usable condition and to restore all structures not the property of the Company to their original condition. In the event that the Company fails to do so, the Minister shall restore and make safe the Lease Area and restore all affected structures at the expense of the Company and the Minister shall apply the appropriate penalties.



- c. The Company shall have the right to enter upon the Lease Area for the above-mentioned purposes, subject to the rights of surface owners or others, for a period of six (6) months from the effective date of the termination or such longer period as the Minister may determine.
- d. On the termination of this Agreement, the Company shall deliver to the Minister the records which the Company is obliged to maintain under Act 703, this Mining Lease and any other laws and regulations, the plans and maps of the area covered by the mining lease, and other documents, including in electronic format, that relate to the Lease Area.

30. FORCE MAJEURE

- a. Failure on the part of the Company to comply with any of the terms and conditions of this Mining Lease (except the obligations to make payment of monies to the Government) shall not be grounds for cancellation or give the Government any claim for damages in so far as such failure arises from force majeure, the Company having taken all appropriate precautions due care and reasonable alternative measures with the objective of avoiding such failure and of carrying out its obligations hereunder. The Company shall take all reasonable measures to remove such inability to fulfil the obligations under this Mining Lease with the minimum of delay.
- b. For the purpose of this clause, force majeure includes acts of God, war, insurrection, riots, earthquakes, storm, flood, fire or other adverse weather conditions or any other event which the Company could not reasonably be expected to prevent or control, but shall not include any event caused by a failure to observe good mining practices or by the negligence of the Company or any of its employees or contractors.
- c. The Company shall notify the Minister within forty-eight (48) hours of any event of force majeure affecting its ability to fulfil the conditions of this Lease or of any events, which may endanger the natural resources or the ecosystem of Ghana and similarly notify the Government of the restoration of normal conditions within forty-eight (48) hours of such restoration. This provision shall be in addition to any requirements contained in the mining regulations.



d. The Term of this Mining Lease may be extended for a period of time equal to the period or periods during which the Company was affected by conditions set forth in the paragraphs (a) and (b) of this clause or for such period as may be agreed by the parties.

31. ADVERTISEMENTS, PROSPECTUSES, ETC.

Neither the Company nor any affiliated Company shall in any manner claim or suggest, whether expressly or by implication that the Government or any agency or official of the Government, has expressed any opinion with respect to any mineral in the Lease Area and no statement to this effect shall be included in or endorsed on any prospectus, notice, circular, advertisement, press release or similar document issued by the Company or any affiliated Company for the purpose of raising capital.

32. CO-OPERATION OF THE PARTIES

Each of the parties undertake that it will from time to time do all such acts and make, enter into, execute, acknowledge and deliver at the request of the other party, such supplemental or additional instruments, documents, agreements, consents, information or otherwise as may be reasonably required for the purpose of implementing or further assuring the rights and obligations of the other party under this Mining Lease.

33. NOTICE

Any application, notice, consent, approval, direction, instruction or waiver shall be in writing and shall be delivered by hand or by registered mail. Delivery by hand shall be deemed to be effective from the time of delivery and delivery by registered mail shall be deemed to be effective from such time as it would in the ordinary course of registered mail be delivered to the addressee.

34. ARBITRATION AND SETTLEMENT OF DISPUTES

a. Any dispute between the parties in respect of the interpretation or enforcement of the provisions of this document shall be settled in accordance with the Alternative Dispute Resolution Act, 2010 (Act 798). Notwithstanding paragraph (a), the parties may by mutual agreement, submit any dispute for settlement by arbitration under the Arbitration



Rules of the United Nations Commission on International Trade Law (“UNCITRAL Rules”).

- b. Any arbitration under the UNCITRAL Rules shall be by three (3) arbitrators unless the parties agree to a single arbitrator. The place of arbitration shall be Accra, Ghana and the proceedings shall be in English. Ghana Law shall be the law applicable to the proceedings.
 - c. No provision of this Clause shall prevent either of the parties from requesting any judicial authority to order provisional measures prior to the initiation of arbitration proceedings or during the proceedings for the preservation of their respective rights.
35. ASSIGNMENT, MORTGAGE, ETC.
- a. The Company shall not transfer, assign, or mortgage an interest in the Mining Lease, or enter into a joint venture agreement in respect of the Mining Lease, or deal in the Mining Lease in any manner without the prior written consent of the Minister.
 - b. The Minister may impose such conditions as he deems fit when giving such consent.
 - c. No assignment of the Mining Lease shall relieve the Company of its obligations under this Mining Lease except to the extent that those obligations are actually assumed by the Assignee.
 - d. During the term of this Mining Lease, no shares of the capital stock of the Company may be transferred except in accordance with Act 703 and applicable laws.
36. EXPORTATION, SALE AND DISPOSAL OF MINERALS
- a. The Company shall not export, sell or dispose of the mineral the subject of this Mining Lease without a licence to export, sell or dispose of the mineral granted by the Minister.
 - b. An application for a licence to export, sell or dispose of the mineral shall be made in accordance with Regulation 3 of the Minerals and Mining (General) Regulations, 2012 (L.I. 2173).



37. OFFENCES

The provisions relating to offences under Act 703 are applicable to this Mining Lease. For the avoidance of doubt, where the contravention of a provision of this Mining Lease constitutes an offence under Act 703 or the applicable Regulations the provisions of Act 703 shall apply.

38. HEADINGS

The headings given to Clauses in this Agreement are for convenience only and shall not affect the construction or interpretation of this document.

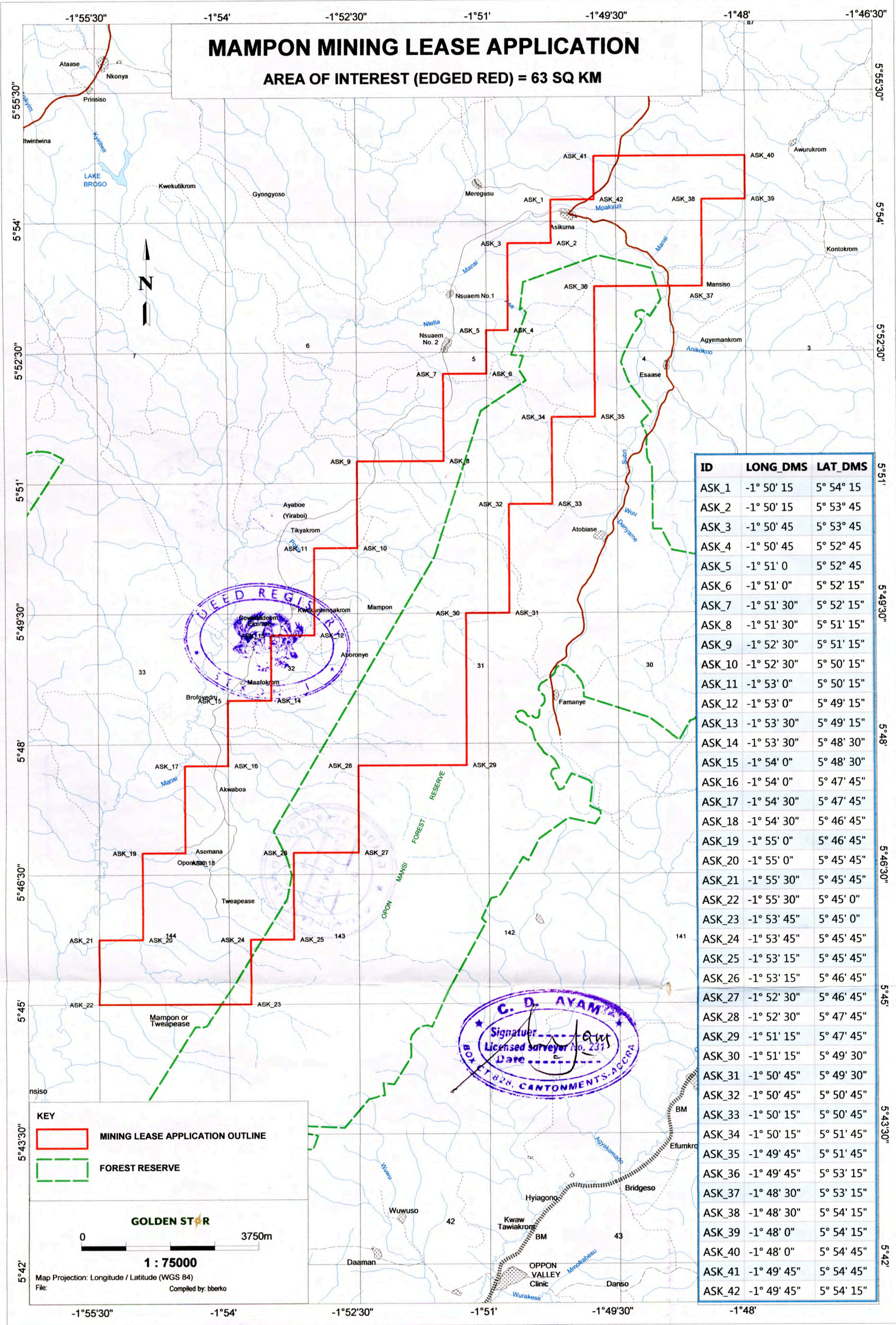
39. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of Ghana.



MAMPON MINING LEASE APPLICATION

AREA OF INTEREST (EDGED RED) = 63 SQ KM



ID	LONG_DMS	LAT_DMS
ASK_1	-1° 50' 15"	5° 54' 15"
ASK_2	-1° 50' 15"	5° 53' 45"
ASK_3	-1° 50' 45"	5° 53' 45"
ASK_4	-1° 50' 45"	5° 52' 45"
ASK_5	-1° 51' 0"	5° 52' 45"
ASK_6	-1° 51' 0"	5° 52' 15"
ASK_7	-1° 51' 30"	5° 52' 15"
ASK_8	-1° 51' 30"	5° 51' 15"
ASK_9	-1° 52' 30"	5° 51' 15"
ASK_10	-1° 52' 30"	5° 50' 15"
ASK_11	-1° 53' 0"	5° 50' 15"
ASK_12	-1° 53' 0"	5° 49' 15"
ASK_13	-1° 53' 30"	5° 49' 15"
ASK_14	-1° 53' 30"	5° 48' 30"
ASK_15	-1° 54' 0"	5° 48' 30"
ASK_16	-1° 54' 0"	5° 47' 45"
ASK_17	-1° 54' 30"	5° 47' 45"
ASK_18	-1° 54' 30"	5° 46' 45"
ASK_19	-1° 55' 0"	5° 46' 45"
ASK_20	-1° 55' 0"	5° 45' 45"
ASK_21	-1° 55' 30"	5° 45' 45"
ASK_22	-1° 55' 30"	5° 45' 0"
ASK_23	-1° 53' 45"	5° 45' 0"
ASK_24	-1° 53' 45"	5° 45' 45"
ASK_25	-1° 53' 15"	5° 45' 45"
ASK_26	-1° 53' 15"	5° 46' 45"
ASK_27	-1° 52' 30"	5° 46' 45"
ASK_28	-1° 52' 30"	5° 47' 45"
ASK_29	-1° 51' 15"	5° 47' 45"
ASK_30	-1° 51' 15"	5° 49' 30"
ASK_31	-1° 50' 45"	5° 49' 30"
ASK_32	-1° 50' 45"	5° 50' 45"
ASK_33	-1° 50' 15"	5° 50' 45"
ASK_34	-1° 50' 15"	5° 51' 45"
ASK_35	-1° 49' 45"	5° 51' 45"
ASK_36	-1° 49' 45"	5° 53' 15"
ASK_37	-1° 48' 30"	5° 53' 15"
ASK_38	-1° 48' 30"	5° 54' 15"
ASK_39	-1° 48' 0"	5° 54' 15"
ASK_40	-1° 48' 0"	5° 54' 45"
ASK_41	-1° 49' 45"	5° 54' 45"
ASK_42	-1° 49' 45"	5° 54' 15"

C. D. AYAM
 Signature: _____
 Licensed Surveyor No. 231
 Date: _____
 BOX 17, 28th CANTONMENTS-ACCRA

KEY

- MINING LEASE APPLICATION OUTLINE
- FOREST RESERVE

GOLDEN STAR

0 3750m

1 : 75000

Map Projection: Longitude / Latitude (WGS 84)
 File: _____
 Compiled by: bberko

MAMPON MINING LEASE APPLICATION

AREA OF INTEREST (EDGED RED) = 63 SQ KM

THIS IS THE PLAN REFERRED TO

IN THE ANNEXED MINING LEASE AGREEMENT

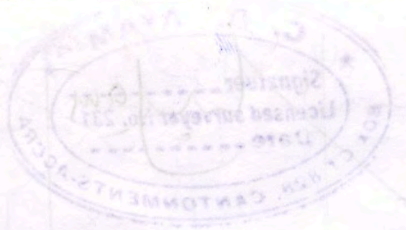
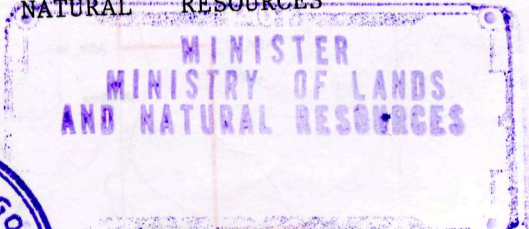
DATED THIS 17th DAY OF OCTOBER 2016

ID	LONG DMS	LAT DMS
ASK 1	11 50 15	2 54 12
ASK 2	11 50 15	2 54 12
ASK 3	11 50 15	2 54 12
ASK 4	11 50 15	2 54 12
ASK 5	11 50 15	2 54 12
ASK 6	11 50 15	2 54 12
ASK 7	11 50 15	2 54 12
ASK 8	11 50 15	2 54 12
ASK 9	11 50 15	2 54 12
ASK 10	11 50 15	2 54 12
ASK 11	11 50 15	2 54 12
ASK 12	11 50 15	2 54 12
ASK 13	11 50 15	2 54 12
ASK 14	11 50 15	2 54 12
ASK 15	11 50 15	2 54 12
ASK 16	11 50 15	2 54 12
ASK 17	11 50 15	2 54 12
ASK 18	11 50 15	2 54 12
ASK 19	11 50 15	2 54 12
ASK 20	11 50 15	2 54 12
ASK 21	11 50 15	2 54 12
ASK 22	11 50 15	2 54 12
ASK 23	11 50 15	2 54 12
ASK 24	11 50 15	2 54 12
ASK 25	11 50 15	2 54 12
ASK 26	11 50 15	2 54 12
ASK 27	11 50 15	2 54 12
ASK 28	11 50 15	2 54 12
ASK 29	11 50 15	2 54 12
ASK 30	11 50 15	2 54 12
ASK 31	11 50 15	2 54 12
ASK 32	11 50 15	2 54 12
ASK 33	11 50 15	2 54 12
ASK 34	11 50 15	2 54 12
ASK 35	11 50 15	2 54 12
ASK 36	11 50 15	2 54 12
ASK 37	11 50 15	2 54 12
ASK 38	11 50 15	2 54 12
ASK 39	11 50 15	2 54 12
ASK 40	11 50 15	2 54 12
ASK 41	11 50 15	2 54 12
ASK 42	11 50 15	2 54 12
ASK 43	11 50 15	2 54 12



[Handwritten signature]

THE HON. MINISTER FOR LANDS AND NATURAL RESOURCES



KEY

- Mining Lease Application Outline
- Forest Reserve

GOLDEN STAR

1:75000

THE SCHEDULE ABOVE REFERRED TO:

All that piece or parcel of land containing an approximate area of 63.00 km² lying to the North of Latitudes 5° 54' 15"N, 5° 53' 15"N, 5° 51'45"N, 5° 50'45"N, 5° 49'30"N, 5° 47'45"N, 5° 46'45"N, 5° 45'45"N, and 5° 45'00"N; and to the South of Latitudes 5° 54' 45"N, 5° 54'15"N, 5° 53'45"N, 5° 52'45"N, 5° 52'15"N, 5° 51'15"N, 5° 50'15"N, 5° 49'15"N, 5° 48'30"N, 5° 47'45"N, 5° 46'45"N and 5° 45' 45"N; and to the East of Longitudes 1° 55' 30"W, 1° 55'00"W, 1° 54'30"W, 1° 54'00"W, 1° 53'30"W, 1° 53'00"W, 1° 52'30"W, 1° 51'30"W, 1° 51'00"W, 1° 50'45"W, 1° 50'15"W and 1° 52'30"W; and to the West of Longitudes 1° 53'45"W, 1° 53'15"W, 1° 52'30"W, 1° 51'15"W, 1° 50'45"W, 1° 50'15"W, 1° 49'45"W, 1° 48'30"W and 1° 48'00"W; in the Wassa Amenfi East and Upper Denkyira West Districts of the Western and Central Regions respectively of the Republic of Ghana which piece or parcel of land is more particularly delineated on the plan annexed hereto for the purposes of identification and not of limitation.

IN WITNESS of which the Parties have respectively executed the original and counterparts of this Mining Lease on the date first above written.

SIGNED, SEALED AND DELIVERED
ON BEHALF OF THE REPUBLIC OF GHANA:


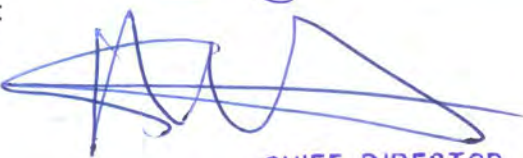
By **NII OSAH MILLS**, Minister for Lands and
Natural Resources, for and on behalf of the
Government of Ghana who by his execution
warrants to the other party that he is duly
authorised and empowered to enter into this
Agreement.

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)



MIN. OF LANDS & NATURAL RESOURCES

IN THE PRESENCE OF:

CHIEF DIRECTOR
MIN. OF LANDS & NATURAL
RESOURCES

SIGNED, SEALED AND DELIVERED:

By **JERRY S. AGALA**,
Managing Director of **GOLDEN STAR (BOGOSO/PRESTEA LIMITED)**
who by his execution warrants to the other party that he is
duly authorized and empowered to enter into this Agreement.

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)
)
)



THE COMMON SEAL
GOLDEN STAR (BOGOSO/PRESTEA) LIMITED

IN THE PRESENCE OF:



EMML MENSAH-ABORAMPATT
.....
DIRECTOR/SECRETARY



DEED No... 10599
 THE WITHIN WRITTEN INSTRUMENT WAS REGISTERED
 UNDER SERIAL No. 2097/16 AT 9:02
 HOUR am ON THE 12th DAY OF Dec 16

[Signature]
 REGISTRAR OF LANDS



28/11/16
 0079704

IN ACCORDANCE WITH SECTION 10 OF THE STAMP ACT 2005, I CERTIFY THAT
 IN MY OPINION THIS INSTRUMENT IS CHARGEABLE WITH A STAMP DUTY OF
 GH¢ 5,119.00 (FIVE THOUSAND
 ONE HUNDRED AND NINETEEN
 GHANA CEDIS)
 ACCRA 2016-11-29
[Signature]
 Commissioner of Income Tax

NATURE OF FEES	PAID	RECEIPT No.	DATE
PROCESSING FEE	GH¢ 35	KA158335	3-11-16



OATH OF PROOF

George Banful of Minerals Commission MAKE OATH and SAY that on the 17th day of October 2016, I was present and saw **NII OSAH MILLS**, the Minister of Lands and Natural Resources duly execute the Instrument now produced to me and Marked "A" and that the said **NII OSAH MILLS** can read and write.

Sworn at Accra this 2nd day of November 2016

Before Me

.....
REGISTRAR OF LANDS COURT ACCRA
 DEPONENT

This is the Instrument Marked "A" Referred to in the Oath of George Banful Sworn before me, this 2nd day of November 2016

.....
REGISTRAR OF LANDS HIGH COURT ACCRA

On the 2nd day of Nov. 2016 at 11:30 o'clock in the fore noon this Instrument was proved before me by the Oath of the within-named George Banful to have been duly executed by the within-named **NII OSAH MILLS**

.....
REGISTRAR OF LANDS HIGH COURT ACCRA




Dated this 17th day of October 2016

GOVERNMENT OF THE REPUBLIC OF GHANA

AND

.....

GOLDEN STAR (BOGOSO/PRESTEA) LIMITED

MINING LEASE

TERM : TEN (10) YEARS
COMMENCEMENT : 17th of 2016
EXPIRY DATE : 16th of 2026
FILE NO : PL.3/32

SOLICITOR OF THE SUPREME COURT OF GHANA





MINERALS COMMISSION

12 Switchback Road Residential Area, Cantonments
P. O. Box M 248, Accra-Ghana
Tel: (233-302) 772783 / 772786 / 773053 / 771318 Fax: (233-302) 773324
E-mail: mincom@mc.ghanamining.org
Website: www.ghana-mining.org

Our Ref: PL.3/32/Vol.2

30th April, 2014

Richard
De Registrar
Payment
11/09/14

The Managing Director
Golden Star (Bogoso/Prestea) Ltd
P. O. Box 16075
Airport, Accra

Dear Sir,

RE APPLICATION FOR MINING LEASE MAMPON CONCESSION

We refer to your letter dated 4th July, 2012 for a mining lease in the Mampon area of the Central Region and wish to inform you that the Commission will recommend to the Minister of Lands and Natural Resources to grant you the lease (63km²) subject to the payment of the following fees by Banker's Draft to the Minerals Commission:

- a) Processing fee of **GH¢1,210.00 (One Thousand, Two Hundred & Ten Ghana Cedis)**.
- b) Annual Mineral Right Fee of **GH¢508,200.00 (Five Hundred & Eight Thousand, Two Hundred Ghana Cedis)*** for the first year, in accordance with the Minerals and Mining (Licensing) Regulations, 2012 (L.I. 2176).

Accordingly, we advise that you pay the fees specified above and thereafter arrange for a legal representative of your company (i.e. a Director) and a witness to call at the offices of the Minerals Commission with a company stamp or seal to sign all relevant documents.

The offer remains open for a period of Sixty (60) days from the date of this letter. If it is not accepted within the said period your application for a mining lease shall lapse.

Yours faithfully,

(PETER AWUAH)

DEPUTY MANAGER, MINERAL TITLES
For: CHIEF EXECUTIVE OFFICER

cc: The Director, Finance & Administration, Minerals Commission, Accra
The Audit Unit, Minerals Commission, Accra

* Please note that this figure is based on a rate of GH¢1,694/block/year and 1 block (cadastral unit) is equivalent to 0.21km².

ACCNT SERV OFFER MINING LEASE - SK





MINERALS COMMISSION

P. O. Box M 248 Accra - Ghana

Tel: (233-302) 772783 / 7722786. Fax: (233-302) 773324

OFFICIAL RECEIPT

No 00746141

13 / 01 2015

Received from Golden Star (Bogoso/Prestea) Ltd.

The Sum of Five hundred and nine thousand, four hundred and ten Ghana Cedis only.

Cedis — Pesewas

Cash/Cheque Ecobank (010113) Amount GHS 509,410 =

Being payment of Annual Mineral Right Fee.

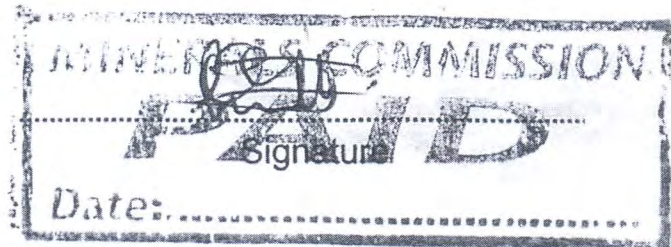
Ref: PL. 3/32/Vol. 2.

Code.....

Code.....

Code.....

Code.....



Dispatch + by Bu
17/12/14

GOLDEN STAR(BOGOSO/PRESTEA)LTD

PAYMENT VOUCHER / REMITTANCE ADVICE

REMITTANCE DATE:

16-Dec-14

PLEASE PAY:

MINERALS COMMISSION

REF.NO

CREDIT

GHC

PL.3/32/VOL.2-MAMPON LEASE

508,200.00

PL.3/32/VOL.2-MAMPON LEASE PROCESSING FEE

1,210.00

CHQ.NO.010113

~~509,410.00~~

CHECKED BY:

SIGNATORY (A)

AUTHORISED BY:

SIGNATORY (B)