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AN ACT

**Approving the Mining Concession Agreement
entered into by and between Government of
the Republic of Liberia and Bentley Internati-
onal Trading Corporation .**

APPROVED MAY 23, 1978

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MINISTRY OF FOREIGN AFFAIRS

MONROVIA

JANUARY 8, 1979

AN ACT APPROVING THE MINING CONCESSION
AGREEMENT ENTERED INTO BY AND BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF LIBERIA AND
BENTLEY INTERNATIONAL TRADING CORPORATION

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

Section 1. That from and immediately after the passage of this Act, the MINING
CONCESSION AGREEMENT entered into by and between THE GOVERNMENT OF
THE REPUBLIC OF LIBERIA AND BENTLEY INTERNATIONAL TRADING CORP-
ORATION, as hereinbelow recited, to wit, word for word, be and the same is hereby
approved:

MINING CONCESSION AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF LIBERIA
AND
BENTLEY INTERNATIONAL TRADING CORPORATION
MINING CONCESSION AGREEMENT

Preamble:

THIS MINING AGREEMENT made and entered into this 13th day of April
A. D. 1978 by and between the GOVERNMENT of THE REPUBLIC OF LIBERIA, re-
presented by Honourable Aaron Holmes, Minister of Lands and Mines, and Honourable
James T. Phillips, Jr. Minister of Finance, hereinafter called the "GOVERNMENT" and
Bentley International Trading Corporation a company incorporated in Liberia, represented
by Dr Willaim A. Burke hereinafter called the "OPERATOR".

W I T N E S S E T H

WHEREAS, the Government, determined to accelerate the continued development of the
Mining Industry of Liberia; and

WHEREAS, the Government agrees to grant the Operator such mining rights and privileges
in consideration of the undertaking by the operator to make annual payment, and to pay
rents, royalties and other fees hereinafter prescribed and to perform and observe the terms
and conditions of this Agreement;

NOW, THEREFORE, the Parties hereto mutually agree as follows:

1. DEFINITIONS

Unless the context shall otherwise clearly indicate, the following terms wherever used
in this Agreement shall have the respective meanings set forth below:

1.1 Affiliate - - A person shall be considered as an affiliate of another person if the
first person, directly or through any third person or persons, controls, is controlled by, or
is under common control with, the second person. The term "control means the posses-
sion directly or indirectly, of the power of direct or cause the direction of the Manage-
ment and policies of a person.

Whether through the ownership of voting securities or by contract or otherwise. In all events, "control" shall be deemed to include ownership, directly or indirectly, of an aggregate of 10% or more of either the voting power or the equity interest.

1.2 Approved Indebtedness - - The term "Approved Indebtedness" shall have the meaning provided in Section 16.3.

1.3 Associated Minerals - - The term "Associated Minerals" means any mineral, metal, element or precious or semi-precious stone(s) other than gold which is found, discovered, mined, removed, extracted or otherwise produced as an incident to the Operator's activities in exploiting a Gold Ore Deposit or Deposits.

1.4 Effective Date - - The term "Effective Date" means the date provided in Section 34 on which this Agreement shall become effective.

1.5 Exploration Area - - The term "Exploration Area" means at any particular time the area or areas then designated in accordance with Section 3.2, but only during the Exploration period.

1.6 Exploration Period - - The term "Exploration Period" means the period described in Section 3.1.

1.7 Feasibility Report - - The term "Feasibility Report" shall have the meaning provided in Section 4.2(b).

1.8 Gold Ore Deposit - - The term "Gold Ore Deposit" means a deposit of ore whose predominant economic value, as determined by the results of exploratory drilling, is attributable to the Gold contained therein and which is of such character as to permit the economic production thereof.

1.9 Government - - The term "Government" includes all branches, divisions, instrumentalities and agencies of the Government of the Republic of Liberia.

1.10 Infrastructure - - The term "Infrastructure" means assets of the following types:

1.12 Produce - - The term "Produce" as used in reference to Gold and/or Associated Minerals, shall include drill, develop, extract, strip, mine, sluice, dredge, process (including beneficiate, concentrate or otherwise treat), stockpile, transport, load, sell and export, for the account of the Operator.

1.13 Production - - The term "Production" as used in reference to Gold and/or Associated Minerals shall include the drilling, development, extration, stripping, mining, sluicing, dredging, processing (including beneficiation, concentration or other treatment), stockpiling, transportation, loading, sale and exportation for the account of the Operator

1.14 Production Lot - - The term "Production Lot" means an area so designated in accordance with Section 4.2.

1.15 Commercial production - - The term "Commercial Production" means the rate of production of Gold Ore specified in the feasibility report referred to in 4.2(b) and 4.3.

2. TERM OF AGREEMENT

2.1 The term of this Agreement shall commence on the Effective Date and shall expire at the earlier of (a) such time as the Operator shall no longer engage in commercial Production of Gold and/or Associated Minerals derived from Gold Ore Deposit within Production Lots, or (b) 20 years after the Effective Date, plus any period of renewal to which the Government may agree.

2.2 Provided, however, that should the Operator wish to suspend temporarily its operations hereunder for reasons such as illustratively, a fall in the selling price of Gold or Associated Minerals, he may so suspend said operations for a period not exceeding 2 years upon payment to Government at the time of such suspension of Land Rental for 2 years in advance. If after such period of temporary suspension of operations the Operator then wishes to resume said operations, then the terms and conditions of this Agreement shall be reviewed and such changes as may be agreed by the parties hereto shall be detailed in an Addendum to this Agreement.

3. EXPLORATION RIGHTS

3.1 Grant of Exploration Rights - On the terms and conditions herein provided, the Government hereby grants to the Operator during the three year period commencing with the Effective Date plus any extensions of such period to which the Government may agree (referred to herein as the "Exploration Period") the exclusive right to explore for Gold deposits in the Exploration Area.

3.2 Exploration Area - - (a) The Exploration Area shall lie within Grand Gedeh, Maryland and Sinoe Counties as delineated in the maps attached hereto and the metes and bounds of which are as specified hereinafter:

AREA = 108.29 Sq. Miles

AREA 1

Geographic Co-ordinates		Rectangular	Co-ordinates	
LONGITUDE EAST	LATITUDE NORTH	X	Y	
A	8° 32' 48.3"	5° 04' 35.22"	550,000	560,800
B	8° 24' 03.9"	5° 04' 35.22"	566,500	560,800
C	8° 24' 03.9"	4° 55' 05.34"	566,500	543,800
D	8° 32' 48.3"	4° 55' 05.34"	550,000	543,800

AREA = 109.61 Sq. Miles

AREA 11

Geographic Co-ordinates		Rectangular	Co-ordinates	
LOGITUDE EAST	LATITUDE NORTH	X	Y	
A	8° 02' 38.58"	6° 11' 39.24"	605,800	684,900
B	7° 53' 28.26"	6° 11' 39.24"	622,600	684,900
C	7° 53' 28.26"	6° 02' 35.34"	622,600	668,000
D	8° 02' 38.58"	6° 02' 35.34"	605,800	668,000

AREA = 200 Sq. Miles

AREA 111

CO-ORDINATES TABLE

	X	Y
A	575,906.56	572,000.00
B	592,000.00	572,000.00
C	592,000.00	539,813.12
D	575,906.56	539,813.12

located herein, and a planimetric map of Liberia indicating thereon each of the areas selected. The maps shall be of such scale and contain such details, including geographical and topographical information and county boundaries, as the Government may reasonably prescribe.

(b) Within 120 days after the submission of the maps and descriptive statement with respect to the first area or areas selected by the Operator in accordance with Section 4.2(a), the Operator shall submit to the Government a feasibility report. Such report shall be modified within 90 days after each additional selection of an area or areas in accordance with Section 4.2(a). The Report, or modified report, as the case may be, shall describe in reasonable details a proposed plan for the full, efficient and economic development and production, during the terms and in accordance with the terms and condition of this Agreement of the Gold Deposits located within the area or areas then and previously selected, including a detailed description of the proposed mining and processing methods, the design, cost and constructor, schedule for the proposed plant and Equipment and Infrastructure, and the marketing and financing arrangements contemplated Said report, as approved by the Government and as it may be modified from time to time with the approval of the Government, is referred to herein as the "Feasibility report"

(c) Upon Government approval of the Feasibility Report, each area selected by the Operator shall be deemed to be a Production Lot.

4.3 Commercial Production - Upon Government approval of the Feasibility Report, the Operator shall proceed with and complete the construction and installation of the Plant and Equipment and the Infrastructure in accordance with the design, specifications and work program and schedule provided for in the Feasibility Report. Commercial production shall be reached not later than two years thereafter, or within such other period to which the Government may have agreed in approving the Feasibility Report. After having reached commercial production, the Operation shall continuously produce Gold and may also produce any Associated Minerals in connection therewith upon the terms set forth herein and conduct its operations hereunder in such a manner so as to ensure the optimum development of all Gold Ore Deposits located within each Production Lot. Commercial production shall be deemed to have been reached at the time of commencement of sale, in accordance with the Feasibility Report, or commercial quantities of Gold.

5. INCIDENTAL RIGHTS

5.1 Grant of Rights - Subject to the terms and conditions herein provided, and solely for purposes incidental to the exercise of the rights granted to the Operator under Sections 3 and 4, the Government hereby grants to the Operator the right, within the Exploration Area or Production Area:

(a) to build and construct Infrastructure and Plant and Equipment, and to maintain and operate the same;

(b) to remove, extract and use, solely for its own purpose free of tax or other charge or fee imposed by the Government, any water, gravel, sand, clay, stone and timber (except protected trees), provided however, that where any land, villages, houses, person, or watering places for animals have been supplied water by right or through custom, the Operator shall not deprive them of a constant and reasonable supply of usable water, nor shall the Operator, without the Government's consent, interfere with any water of other rights enjoyed by anyone under any agreement with the Government.

5.2 Additional Areas - - The Government shall make available to the Operator such additional areas to the Production Lots as the Operator may reasonably require to carry out the plan proposed in the Feasibility Report.

5.3 Condemnation - - If the use of any privately owned or occupied property within the Exploration Area is reasonably required for the conduct of operations hereunder, and the Operator is unable to come to an agreement with the owner or occupant of such property for such use, the Operator may request the Government, which request shall not be unreasonably denied, to exercise its right of eminent domain with respect to such property. The Operator shall reimburse the Government for any compensation paid or payable to the private owner or occupant as a result of the Government's exercise of such right.

5.4 Deposits of Other Minerals

(a) In the event that (i) the Operator finds, within a Production Lot or within an area which is then part of the Exploration Area, an ore deposit whose predominant economic value is attributable to a mineral or minerals other than Gold and the Gold which does exist in such deposit, if any, could not be economically exploited itself, and which deposit is of sufficient size and quality to permit the production of commercial quantities of such mineral, and (ii) the Government has not yet entered into an agreement or negotiations therefor with third parties relating to such mineral deposit(s) in such area, then the Government will enter into good faith negotiations with the Operator for the purpose of concluding a separate agreement with regard to the development of such deposit(s). If, after a period of three months after the commencement of such negotiations, the Government and the Operator shall have failed to reach such an agreement, the Government shall be free to enter into an agreement with another person relating to such deposit(s). Subject to the foregoing, and subject to the Operator's rights under this Agreement, the Government shall be free at any time to negotiate and conclude agreements with third parties with respect to any natural resources, other than Gold Deposits, within the Exploration Area or Production Area, whether such natural resources are discovered by the Operator or by the others. Any such agreements with a third party shall be on such terms and conditions that the Operator's activities hereunder shall not be unreasonably impeded.

(b) In the event that the Operator finds within a Production Lot or within an area which is then part of the Exploration Area an ore deposit which contains a deposit of Gold ore of sufficient size and quality to permit the production of commercial quantities of Gold but which is comingled, intermingled or otherwise found together with a deposit of some other mineral or minerals which, based on the result of exploratory drilling have an indicated value exceeding that of the Gold, the Government may, in its discretion, and upon such terms as the parties may agree, permit the Operator to engage in operations with respect to such a deposit. If the Government determines to grant to a person other than the Operator the right to engage in operations with respect to such a deposit, then the Operator shall nevertheless be entitled to sell, market or otherwise dispose for its own account of any Gold derived from such a deposit in accordance with the provisions of this agreement including the payment of royalties as provided herein. In such case, the Operator shall bear the costs and expenses attributable to the production of any such Gold.

6. INFRASTRUCTURE

6.1 Furnished by Government - - Before undertaking to construct, install or improve any of the Infrastructure, the Operator shall submit to the Government detailed information regarding the infrastructure required for operations hereunder and the proposed cost thereof. The Government may then determine to undertake for its own account the construction, installation or improvement of such Infrastructure as will satisfy the Operator's needs and the Government shall make such Infrastructure available to the Operator on such terms and conditions as the parties may agree.

6.2 Construction by Operator - - If the Government determines not to undertake the construction installation or improvements of all or any part of the Infrastructure, the Operator shall, at its own cost, undertake such construction, installation and improvement as has been approved by the Government. In all events, title to, and ownership or, all of such Infrastructure shall immediately vest in the Government, subject to the Operator's right to use such property for the conduct of operations hereunder. All such Infrastructure shall be maintained and operated by the Operator in such manner as the Government may reasonably require. To the extent operations under this Agreement are not unduly impeded, the Operator shall permit the Infrastructure to be used by such persons as the Government may direct, at a reasonable charge to be approved by the Government; provided that no such charge shall be made for (a) any use by the Government or any use by an official or authorized representative of the Government in the course of his official duties, or (b) the use by the Government or the general public of roads, airports or communications facilities for emergency purposes.

7. CONDUCT OF OPERATIONS

7.1 Best Mining Practices - - The Operator shall conduct all of its operations hereunder using appropriate modern and effective plant and Equipment, Infrastructure, materials and methods. Such operations shall be conducted in a proper and workmanlike manner, with due diligence, efficiency and economy, in accordance with the laws of Liberia and with the best mining and engineering practices used by efficient operators in similar operations, elsewhere in the world.

7.2 Maximum Economic Operation

(a) The Operator shall use its best efforts to produce Gold from each Production Lot and at the Maximum capacity of each Production Lot consistent with the optimum economic development of all Production Lots. Production shall not be restricted to high grades of Gold Ore, to the neglect of lower grades, and in no event shall the Operator, without prior Government approval, make inaccessible for future production, or otherwise waste any ore having a Gold content high enough to make future economic working possible.

(b) The Operator shall use its best efforts to construct such processing facilities for the beneficiation, concentration or other treatment of Gold Ore as will permit the optimum economic development of all Gold Ore Deposits located within the production Lots; and

(c) The Operator shall use its best efforts to sell Gold and any Associated Minerals produced at the maximum prices possible in the light of then prevailing international market prices and conditions, and in accordance with good competitive business practice generally accepted at the time. The Operator hereby undertakes to sell at least 95% of all Gold or Associated Minerals within 30 days after their production notwithstanding the foregoing; with the prior approval of the Government, the Operator shall have the right to delay the sale of a greater proportion of the Gold and/or Associated Minerals produced beyond the 30 day period specified, upon such terms and conditions as the parties may agree.

(d) The Operator shall conduct in Liberia, unless the Government otherwise agrees, all smelting, refining and assaying of all Gold produced hereunder. Such operations shall be conducted by such persons and under such procedures and security precautions as shall be approved by the Government.

7.3 Transactions with Affiliated Persons - - If the Operator obtains from any affiliate any services, assistance, advice or know-how which an efficient operating mining company normally provides for itself, unless the Government otherwise consents, the Operator shall pay for such services, assistance, advice or know-how only on an actual, direct, fair and reasonable cost-reimbursable basis. Any other transaction between the Operator and an affiliate shall be on the basis of competitive international prices and such other terms and conditions as would be fair and reasonable had the transaction taken place between unrelated parties dealing at arm's length.

8. HEALTH AND SAFETY

The Operator shall install, maintain and use modern health and safety devices and shall practice modern health and safety procedures and precautions (including regular safety training instruction for its employees) as are in accordance with the best mining and engineering practices. The Operator shall comply with such written instructions as may from time to time, be given by the Government.

9. MEDICAL CARE

The Operator shall furnish free medical treatment, care and attention to all employees and Government official working in connection with Operator's operations, and their respective families, and, where reasonably required by the circumstances, shall establish, staff and dispensaries, clinics and hospitals. Without limiting the generality of the foregoing, whenever the Operator employs 150 or more persons at any permanent work site, within the Production Area it shall maintain there a dispensary or hospital headed by a resident medical doctor. The Operator shall notify the Government immediately of any death or serious injury to any person connected with the Operator's operations. For the purposes of this provision a "serious" injury shall mean an injury which is likely to cause the injured person to lose three or more working days.

10. EDUCATION

The Operator shall provide, free of charge and in conformity with the rules, regulations and standards established by the Government, primary and secondary school facilities and education for the children of all employees and Government official permanently working at or near a fixed work site in connection with the Operator's operations in the Production Area.

11. EMPLOYMENT AND TRAINING

11.1 Employment of Liberians - - The Operator shall not import unskilled labour except with the consent of the Government. To the maximum extent feasible, the Operator shall employ Liberian citizens at all levels, and particularly in skilled, technical, administrative and managerial positions (including supervisory and senior managerial posts). Unless the Operator then can clearly demonstrate that it is not feasible, within five years after reaching commercial production in accordance with Section 4.3, at least 60% of all skilled, technical and administrative and managerial positions shall be held by Liberian citizens, and within ten years after such date, at least 95% of such positions shall be held by Liberian Citizens.

11.2 Training of Liberians - - The Operator shall, among other measures, provide on a continuing basis for the training of Liberian citizens, in order to qualify them for skilled, technical administrative and managerial positions, by means of: (a) establishing and operating vocational and advanced training centers of Liberia; (b) furnishing on-the-job counterpart training, not only in Liberia, but to the extent feasible in the office of the Operator or its agents outside Liberia, in order that such Liberians may receive training in the overseas aspects of the Operator's shipping, marketing and accounting functions; and (c) providing scholarships for qualified Liberian citizens to pursue advanced studies abroad. Detailed plans and programs for such training, including time tables and schedules, shall be formulated (and revised when necessary) in consultation with, and shall be subject to the approval of the Government. Such consultation shall commence as soon as practical in light of the progress of the Operator's operations, and in any event promptly after request by the Government.

12. OTHER PREFERENCES TO LIBERIANS

12.1 Shipping and Aircraft

(a) At the option of the Government, all or any part of the products derived from operations hereunder sold for export by the Operator other than on an f.o.b. basis shall be transported by the Government or the Government's designee at rates to be established by negotiations among the parties, such rates to be competitive with prevailing market rates.

(b) Subject to the provisions of Section 12.1(a), in engaging any ships or aircraft, the Operator shall give the following preferences: (i) first to those owned by the Government or by a company in which the Government has at least a 50% interest; and (ii) then to those owned by citizens of Liberia or by companies in which Liberian citizens own a majority of the voting power and a majority of the equity; provided, however, that such preference shall be given only if the rates of such ships and aircraft are competitive with prevailing market rates for comparable services.

12.2 Services and Material

(a) In the event the Government should operate a travel agency and/or an airline, the Operator shall utilize the services of such agency and/or airline for all its passenger and cargo air transportation, provided such services are reasonably competitive in price and quality to the services otherwise available.

(b) Subject to the provisions of Section 12.2(a), in purchasing or hiring services (including, illustratively, those of insurance agencies, contractors, import brokers, dealers and agents, and providers of transportation) and materials (including, illustratively, goods, equipment and agricultural products), and provided that the materials and services are reasonably comparable in price, quality and delivery dates to those available elsewhere, the Operator shall give, and shall use its best efforts to cause any of its contractors to give, the following preferences:

(i) In the case of materials, to those manufactured, grown or produced in Liberia; and

(ii) In the case of Services and, subject to Section 12.2(b) (i), in the case of materials, to those provided by or available from Liberian citizens or companies in which Liberian citizens own more than 50% of the voting power and equity.

12.3 Purchases of Ore by the Government - - The Government shall have the right, or reasonable notice, to purchase all or any of the Gold and/or Associated Minerals produced hereunder on such terms and conditions as the parties may agree. In the event that the Government desires to exercise this right, it shall give the Operator written notice specifying the nature and quantity or quantities of Gold and/or Associated Minerals it intends to purchase and, in the case of Gold, specifying a date of sale which shall not be more than ten, nor less than three days after delivery of said notice to the Operator. The purchased price shall be the fair market value, F.O.B. Liberia, of the Gold. For the purposes of this Section 12.3 "fair market value" shall be the mean between the opening and closing prices of Gold on the London Gold Market on the specified date of sale, adjusted to reflect transportation and insurance costs. The purchase price shall be paid to the Operator within 5 business days following the date of sale. With respect to any Associated Minerals purchased by the Government, the price or prices thereof shall be based upon competitive international prices.

13. CONSERVATION

13.1 Community and Human Resources - - It is an essential condition of this agreement that operations hereunder be carried out in such manner as to provide for the economic and social viability, both during the term of this Agreement as well as there-after, of centers of population which may form as a result of such operations. Upon request of the Government at any time, the Operator shall consult with the Government to establish plans and programs, and after approval by the Government, the Operator shall put into effect such plans and programs, for the purpose of:

(a) Encouraging the establishment and growth of local economic activities, including, illustratively, providing materials, facilities and land areas within the Production Area to Liberian agriculturists for farming, animal husbandry and other agricultural purposes; to Liberian developers for housing and other developments; to Liberian merchants and tradesmen for operating commercial, recreational and service facilities;

(b) Providing for the conversion of Infrastructure and Plant and Equipment to new applications after the cessation of their use for operations hereunder, and for the retaining of the local labour force; and

(c) Providing for meetings on a regular basis between representatives of the Operator and the local communities for the purposes of considering and making recommendations to the Operator and to the Government with respect to matter of community interest.

13.2 Natural Resources - - The Operator shall take such preventive, corrective and or restorative measures to insure that all streams and water bodies within or bordering Liberia, all dry land surfaces, and the atmosphere be protected from pollution, contamination or damage resulting from operations hereunder; and that any existing pollution, contamination and damage of or to such water bodies, land surfaces and atmosphere resulting from operations hereunder be rectified; and that the terrain, in general, be restored to and left in a state so to be usable for purposes which are economically or socially desirable. Illustratively, and with limiting the generality of the foregoing, the Operator shall, where necessary and desirable, backfill all open mines, pits, trenches, cuts and other excavations, using to the maximum extent possible as fill material all tailings, spoils, refuse and other originally subterranean materials which have been accumulated on the surface of the ground; shall level the surface wherever possible, and if leveling is not possible, shall contour, grade and terrace all exposed artificial gradients and declivities which have been created as a result of operations; shall reopen and pre-existing natural drainage systems such as creeks, streams, or other natural watercourses (or where such have been obstructed or obliterated shall open new, substitute surface watercourses to the end that the area shall continue to be drained by natural runoff with a minimum of erosion); and shall reforest and replant the areas so backfilled, contoured, terraced or otherwise worked with such species of vegetation as may be indicated by the Government. From time to time, and in any event within a reasonable time after request by the Government, the Operator shall submit to the Government detailed plans for the protection, correction and restoration of the water, land and atmosphere. If the Operator fails to submit such plans or fails to comply with any plans previously submitted, then in addition to any other remedy available to the Government, the Government may, on reasonable notice and at the expense of the Operator, perform such work as may be necessary or desirable under the circumstances.

14. TECHNICAL COMMITTEE:

The Operator shall manage its operations hereunder with the advice of a Technical Committee which shall consider and recommend standards and procedures to be observed by the Operator in its operations under this Agreement with respect to technical, operational, safety, health and water and land conservation and restoration. The Technical Committee shall consist of five members with an equal vote, two of whom shall be appointed by the Government and three by the Operator. The Technical Committee shall meet not less often than quarter-annually, and in any case upon the written request of at least two members, all such meetings to be held in Liberia on not less than fourteen (14) days prior written notice to the members of the time, place and purpose of the meeting.

15. STRUCTURE OF THE OPERATOR

15.1 Incorporation - - The Operator shall be a company incorporated under the laws of the Republic of Liberia and shall have its principal offices and effective management in Liberia. The Operator shall submit to the Government photocopies of its Notary Certificate of Incorporation, of its Articles of Association and of all other documents relating to the incorporation of the company. The Operator shall not, without the prior approval in writing of the Government:

- (a) Amend its Articles of Association;
- (b) Merge or consolidate with any other person;
- (c) Sell, lease, or otherwise dispose of all or a substantial part of its assets (excluding any inventory of Associated Minerals);
- (d) Engage in business other than in connection with operations hereunder;
- (e) Permit any transfer or issuance of an interest in the Operator in violation of Section 15.4;
- (f) Make any loans or extend any credits other than in the ordinary course of its operations hereunder; or
- (g) Mortgage, transfer, sublet, hypothecate or otherwise encumber any of its assets or interests therein otherwise than in the ordinary course of business such as, without limitation, financing its purchase of Plant and Equipment, including drills, dredges, vehicles and the like.

15.2 Applicable Law - - Unless specifically provided herein to the contrary, the Operator, its shareholders and employees and all persons dealing with any of them shall be subject to all Liberian Laws of general application. No person shall be deemed or is intended to be a third party beneficiary under this Agreement unless specific provision to that effect is contained herein.

15.3 Adequate Capital - - The Operator shall provide all capital necessary for the economic and profitable exploration for Gold Ore Deposits and the production of Gold Ore under this Agreement. In this connection, the Operator shall at all times maintain a reasonable and prudent capital structure and shall own all of the Plant and Equipment free and clear of any and all encumbrances, except that upon prior notice to the Government, machinery and equipment such as drills, dredges, vehicles and the like may be leased or financed on any basis consistent with good business practice generally accepted at the time, provided that, if such leases are a substitute for financing the purchase of the leased machinery and equipment, the parties shall agree to what extent, if any, any of such leases shall be considered out-

standing indebtedness for the purchases of Section 16 of this Agreement.

15.4 Stock Purchases - - (a) Commencing with the first issue of any voting shares of the Operator and continuing thereafter with respect to all subsequent issues of shares, twenty-five percent (25%) of each issue of such shares issued for sale or proposed to be issued by the Operator shall be reserved for offer to Liberian Citizens. Such initial offering and each successive offering to Liberians shall be made on terms no less favourable than the most favourable terms to other subscribers and held available for subscription by and purchase by said Liberian citizens for a period of six (6) months from the date of offering of such particular issues.

(b) The obligation to keep available twenty-five percent (25%) of each successive issue of common shares for subscription and/or purchase by Liberian citizens shall not at any time be minimized or affected by the fact that at the date of any particular issue of shares there already exist shareholders of the operator who are Liberian citizens. The Operator shall submit reports to the Ministry of Planning and Economic Affairs of the number of shares of each offer which initially were made available to Liberian citizens, the number of shares remaining unsubscribed or paid at the end of the corresponding six-month period and the number of such shares subsequently disposed of to the existing shareholders in favour of existing Liberian shareholders. These shares shall retain with them the proportionate preemptive rights in favour of Liberian holders thereof who from time to time subscribed to and purchase additional shares when and if offered by the Operator *

(c) The holdings by Liberians of shares of the Operator shall in no event be treated less favourably than those of other holders. Liberian citizens shall be permitted to exercise their right to hold shares in any and every offering made by the Operator. The Operator shall give the widest possible news media advertisement in Liberia to the public offer to Liberian citizens herein required and shall do nothing to diminish the relative voting strength of the Liberian shareholders.

15.5 Directors - - Twenty-five percent (25%) or not less than two (2) of the directors of the Operator shall be Liberian citizens.

15.6 Restrictions on Transfer - - The voting and equity interests in the Operator and in any entity which directly or indirectly has as one of its principal assets a voting or equity interest in the Operator shall not, without the Government's approval, be transferred or issued to any person if the result of such transfer or issuance is to give such person a controlling interest in the Operator which such person did not have before the transfer or issuance. For this purpose, a person shall be considered to have a controlling interest in the Operator if such person, together with all such person's affiliates, owns directly or indirectly more than 10% of the combined voting power or equity of the Operator or of an entity which has such a controlling interest in the Operator.

16. TAXATION

16.1 In General -- Except as otherwise expressly provided in this Agreement, the Operator shall be subject to all taxes, fees, duties, exises and other charges imposed by Liberian Laws of general application.

16.2 Income Tax - - The Operator shall be subject to Liberian income tax laws of general application, except that notwithstanding any provisions of such laws.

(a) The rate of tax applicable to all the taxable income of the Operator shall be 50%.

(b) In computing the net taxable income of the Operator:

(i) The gross income of the Operator shall include all income earned or realized directly or indirectly from any source whatsoever, determined without regard to any exclusions or exemptions that might otherwise be provided by laws of general application, and without regard to any exemption provided in any contractual agreement with third parties to which the Government is now or may hereafter become a party. Without limiting the generality of the foregoing, the Operator's gross income shall include the excess of the fair market value of any assets distributed to, or for the benefit of, any shareholder or other person, whether by way of regular, special or liquidating dividend or otherwise, over the Operator's net cost of such assets (after all deductions for depreciation or amortization allowed or allowable);

(ii) A net loss for any taxable year or years shall be carried over, in chronological order, and deducted in the immediately succeeding taxable year or years until such loss shall have been fully absorbed against net taxable income determined without regard to this Section 16.2(b); provided, however, that net losses of the Operator incurred for any taxable year beginning after the end of the exploration period shall not be carried over to a year later than the fifth year succeeding the year of such loss; and

(iii) If the Operator has outstanding for more than 30 days during a taxable year indebtedness which is not Approved Indebtedness, then the deduction for interest expense and finance charges otherwise deductible for the taxable year in respect of all outstanding indebtedness. Royalties, rentals and other taxes (other than those imposed under this Section 16.2) charges or fees paid or accrued pursuant to the provisions of this Agreement shall be deductible (except to the extent that they properly capitalized, in which event they may be amortized).

(iv) Expenditures for Exploration Cost and Mine Development Costs shall, at the election of the Operator, be deductible in the year paid or accrued. For this purpose, the term:

A. "Exploration Cost" shall mean all expenditures for ascertaining the existence, location, extent or quality of any ore deposit within the Exploration Area, and paid or incurred before the development stage of the deposit;

B. "Mine Development Costs" shall mean all costs and expenses incurred after the beginning of the development stage of a deposit in preparing the production Area or any part or parts thereof for the mining, extraction, production, handling or processing of Gold and/or any Associated Minerals, excluding expenditures for the construction, acquisition, installation or erection of facilities and excluding Exploration Costs; and

C. The development stage of a deposit will be deemed to begin at the time when the area in which such deposit is located has been selected as a production Lot.

16.3 Approved Indebtedness - - An indebtedness shall be considered an "Approved Indebtedness" if it satisfies the conditions of (a), (b) or (c) below:

(a) The indebtedness (i) is payable on demand or has a stated maturity or 12 months or less, (ii) is intended to be repaid within 12 months other than by use of proceeds obtained by incurring other indebtedness, and (iii) is not incurred for the purpose of refinancing a then outstanding indebtedness; or

(b) Immediately after the indebtedness is incurred, the total principal amount of all indebtedness of the Operator then outstanding is less than three times the amount of the "equity" of the Operator, as that term is defined hereinafter. For the purposes of this subparagraph, the term "equity" of the Operator at any particular date shall be the total amount of capital actually contributed to the Operator from time to time by its shareholders less any withdrawals of such capital (but for this purpose distributions of income computed without regard to any losses carried forward shall not be considered withdrawals), plus the excess, if any, of net taxable income credited to the shareholders for all prior taxable years if property other than cash has been contributed to the Operator, the amount thereof to be taken into account shall not exceed the cost of such property to the transferor, or if less, the cost to any affiliate of the transferor. An indebtedness which, incurred, qualifies under this Section 16.3(b) as an Approved Indebtedness, shall cease to so qualify at such time as an indebtedness is incurred and as a result thereof, the total amount of all indebtedness of the Operator then outstanding is more than three times the amount of Operator's equity. Notwithstanding the foregoing, if within any period of twelve consecutive months, the Operator makes distributions to its shareholders in an amount in excess of the sum of (i) 5% of the equity at the beginning of such period, and (ii) the net taxable profits for any taxable year ended since the beginning of such period, then each indebtedness outstanding at the end of such period which, when incurred, qualified as an Approved Indebtedness under this Section 16.3(b), shall then cease to be Approved Indebtedness unless the conditions of subsection 16.3(b) are then met or

(c) The indebtedness is issued after the Operator has obtained a written determination from the Government that such indebtedness will be Approved Indebtedness.

16.4 Duties and Excises - - Imports and Exports of all items shall be subject to customs regulations then in force, to any consular fees or general application, and to any fees or charges of general application for use of ports, harbors, wharfage or other services or facilities made available by the Government. Notwithstanding the foregoing:

(a) The importation into Liberia only by the Operator of any equipment, machinery or other similar items of a capital nature having a useful life of more than five years for direct use in connection with the Plant and Equipment or the Infrastructure, and such other articles as the Government may from time to time agree, shall be exempt from all Liberian import duties, provided that items reasonably comparable in price, quality and delivery dates are not obtainable in Liberia. In comparing the prices of the items sought to be imported with like items obtainable in Liberia, there shall be added to the price of the items sought to be imported duty-free the consular fees, freight and insurance and other costs (other than import duties) normally incurred through the time imported items have been shipped to and landed in Liberia, and cleared through Liberian customs. All items which are imported duty-free shall, as far as possible be marked with name or marks of the Operator in a manner difficult to delete. If the Operator imports any item duty-free and thereafter determines to sell or transfer such item to another person not entitled to the same exemption, or to apply the item to a non-exempt purpose, a customs declaration shall be made before such sale or transfer or use is effected and such import duty shall

be paid as may be assessed in accordance with the Liberian laws of general application. Any disagreement as to whether items qualify for exemption from import duties, or as to whether items have been sold, transferred, used or applied so as to become subject to import duties, shall be resolved under the generally applicable Liberian laws, regulations and procedures.

(b) Subject to the terms of this Agreement, and to the Government's rights under Section 12.3 hereof to purchase any or all Gold or Associated Minerals produced by the Operator, the Operator shall have the right to sell Gold and/or Associated Minerals produced hereunder and the Government hereby authorizes the Operator to export any or all Gold so produced free of any duties or other taxes, charges or fees after making a prior declaration of each shipment to the Minister of Lands and Mines who shall request the Commissioner of Customs of the Republic of Liberia to issue an export license which shall not be unreasonably withheld. With regard to any Associated Minerals produced by the Operator, the Government hereby agrees to permit the Operator to export all or any such Associated Minerals upon payment of the applicable royalty determined in accordance with the provisions of Section 17.2 of this Agreement.

(c) The Operator shall be exempt from all excise taxes imposed on the sale to or purchase or use by the Operator for its operations hereunder of industrial fuel oil, and fuel for industrial vehicles operated off the public roads.

17. ROYALTIES

17.1 Gold - - The Operator shall pay to the Government a royalty in respect of all Gold produced hereunder and shipped or otherwise disposed of by the Operator. The amount of such royalty shall be as follows: (a) for Gold: 4% of (i) the selling price f.o.b. Liberia of the Gold if sold in an arm's length transaction to a person who is not an affiliate, or (ii) in all other cases, the fair market value, f.o.b. Liberia, of the Gold. For the purpose of this Section 17.1, "fair market value" shall be the means between the opening and closing prices of Gold on the London Gold Market on the date of sale, adjusted to reflect transportation and insurance costs. The royalty shall be paid monthly within one week after the end of the month. Each such payment shall be accompanied by a detailed report of all Gold and/or Associated Minerals produced and/or sold during the preceding month, stating the nature and amounts sold, the dates of sale, the applicable selling prices and any inventory of Gold and/or Associated Minerals on hand.

17.2 Associated Minerals - - The Operator shall also pay to the Government a Royalty in respect of any Associated Minerals, as defined in Section 1.3 produced hereunder and shipped or otherwise disposed of by the Operator. The amount of said royalty shall depend on the nature and value of the said mineral or minerals so produced but shall not be assessed at a higher rate or amount than, and shall be assessed in the same manner as, the royalties or other amounts then being paid to the Government by others producing the same mineral or minerals under comparable circumstance, or if there are no comparable circumstances, at the rate and in the manner to be negotiated by the parties.

18. SURFACE RENTAL

18.1 The Operator shall pay to the Government, in advance within one month after the beginning of each calendar year, an annual Surface Rental in an amount equal to the sum of:

(a) Ten Cents (10¢) per acre in respect of any surface area which on the first day of a calendar year was part of the Exploration Area.

(b) \$1.00 per acre in respect of any Surface Area which on the first day of a calendar year was part of a Production Lot.

18.2 The Operator shall pay to the Government within one month after the Effective Date a sum equal to the rates of Surface Rentals calculated at the rates as specified in (a) and (b) hereof for any area which was an Exploration Area or a Production Lot during the year in which the Agreement become effective.

19. CURRENCY

The Operator shall maintain all its bank accounts in Liberia, except for such incidental foreign bank accounts as may be required to make regular payments in the ordinary course of operations. In accordance with applicable laws and regulations, the Operator shall have the right to obtain freely convertible currencies for remittance abroad of amounts necessary for (a) the purchase of hire abroad of such equipment, materials, supplies and services as are required by the Operator for its operations hereunder; (b) the repayment of Approved Indebtedness and the interest thereon; (c) the payment of distributions with respect to the Operator's shareholders; (d) the securing of any Approved Indebtedness; and (e) any other payment to which the Government consents.

20. RECORDS, REPORTS AND INSPECTION

20.1 Availability of Records - - The Operator shall maintain at its principal office in Liberia, or at such other office in Liberia as the Government may approve:

(a) Copies of all maps, geological or other earth science reports and mineral analysis (together with all field data which supports such reports or data), production records, marketing reports and any other data obtained or compiled by the Operator as a result of its operations hereunder; and

(b) Complete, accurate and systematic financial records of its world-wide operations and such books of account and other financial records of such operations as may be required by law or as the Government may otherwise require. Such books of account shall be kept in accordance with such accounting system as the Government shall approve and shall show all revenues received by the Operator from its world-wide operations and all expenditures and provide for a clear understanding of the financial aspects of such operations. All books of accounts and financial statements shall be kept in terms of the currency of Liberia.

20.3 Audit - - The Operator shall cause its books of accounts to be audited within three months after the close of each fiscal year by an internationally recognized independent auditor, satisfactory to the Government and a copy of the annual financial statement duly certified by said auditors shall be furnished to the Government within twenty days thereafter. The Government shall have the right to freely discuss with the said auditors the results of the audit and certification, and the Operator shall take all reasonable measures to ensure that the said auditors cooperate to the maximum extent in such discussions. The foregoing shall not in any way imply acceptance of any such audit or certification by the Government or preclude the Government from auditing such books of accounts.

20.3 Reports - - The Operator shall submit such reports to the Government, in such form, in such detail, and at such times, as may be required by law, or as the Government may otherwise require with respect to exploration, production, employment and training, marketing and such other matters as may be related to the conduct of operations hereunder.

20.4 Inspection - - The Government may at any time inspect the books and records of the Operator, and any and all facilities and areas related to any of the operation hereunder. The Operator shall make all reasonable transportation, accommodation and other arrangements to facilitate any such inspection and make its appropriate employees available to render assistance with respect to any such inspection.

20.5 Confidentiality of Operator's Reports - - The Government shall treat all information supplied by the Operator hereunder as confidential and shall not reveal such information to third parties except with the consent of the Operator, which consent shall not be unreasonably withheld, for a period of one calendar year with respect to financial information, from the date of submission of such information. The Government or persons authorized by the Government may nevertheless use any such information received from the Operator for the purpose of preparing and publishing general records or statistics on natural resources or other conditions in Liberia, and in connection with any dispute between the Government and the Operator.

21. NON-ASSIGNABILITY

This Agreement and any interest therein may not be transferred or assigned, or mortgaged, pledged or otherwise encumbered, in whole or in part, without the Government's approval.

22. FORCE MAJEURE

Except as provided in this Section, failure on the part of the Operator to comply with any of the conditions hereof (except the obligation to make payment of monies to the Government) shall not be grounds for cancellation or give the government any claim for damages insofar as such failure arises from force majeure, if the Operator has 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 Operator shall take all reasonable measures to cure such failure and to fulfill the terms and conditions hereof with a minimum of delay. The Operator shall notify the Government within twenty-four hours of an event of force majeure affecting its ability to fulfill the terms and conditions hereof or any event which may endanger the natural resources of Liberia and similarly notify the Government of the restoration of normal conditions within twenty-four hours thereof. For purposes of this Section 22, force majeure includes an act of God, war, insurrection, earthquake, storm, flood or any other extraordinary event which the Operator could not reasonably be expected to prevent or control, but shall not include any event caused by a failure to observe the best mining and engineering practices or by the negligence of the Operator or any of its employees or contractors. If, as a consequence of force majeure, operations hereunder remain in substantially total suspension for an uninterrupted period of more than six months, the duration of the term of this Agreement shall be extended by the time of such suspension or suspensions.

23. PROHIBITED TRANSACTIONS

The Operator shall not, directly or indirectly, engage in any transaction with respect to Gold and/or Associated Minerals produced hereunder with any State which the Government has by law or by official pronouncement prohibited such transactions.

24. SURRENDER OF OPERATOR'S RIGHT

During the Exploration Period according to Section 3 the Operator may surrender, by not less than sixty (60) days notice to the Government, all its rights hereunder in respect of all or any part of the Exploration area, and the Operator shall be relieved of all

obligations in respect of the area so surrendered except those obligations accrued prior to the effective date, of, or arising out of or related to, the surrender.

25. GOVERNMENT'S RIGHT TO TERMINATE

25.1 Causes for Termination - - The Government may terminate this Agreement if any of the following events shall occur:

(a) The Operator shall fail to make any of the payments described in this Agreement on the payment date, and such default is not cured within 14 days after notice by the Government (or within such longer period as may be specified in said notice), or shall materially fail to comply with any other conditions of this Agreement and such condition is not cured within 90 days after notice by the Government (or within such longer period as may be specified in said notice);

(b) The Operator shall voluntarily dissolve, liquidate or wind up its affairs, or shall make an assignment for the benefit of creditors, or shall petition or apply to any tribunal for the appointment of a trustee or receiver for itself, or of any substantial part of its assets; or shall commence any proceedings relating to it, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt law of any jurisdiction, whether or not hereafter in effect; or if any such petition or application is filed or any such proceedings are commenced against it, shall indicate its approval thereof, consent thereto, or acquiescence therein; or, if an order is entered appointing any such trustee or receiver or adjudicating the Operator bankrupt or insolvent, or approving the petition in any such proceedings, shall permit such order to remain in effect for more than 60 days;

(c) The Operator shall fail to timely comply with any final judgement of a Liberian court of competent jurisdiction or with any final decision by the arbitral tribunal under Section 27.

25.2 Procedure for Termination - - The Government may terminate this Agreement by giving notice thereof to the Operator; provided that if (a) the Operator disputes whether there has been a material failure to comply with the conditions of this Agreement, (b) such dispute is arbitrable under Section 27, and (c) the Operator, within 7 days after such notice, refers the dispute to arbitration in accordance with Section 27 and thereafter diligently prosecutes its claim thereunder, then the Government shall not terminate this Agreement except as the same may be consistent with the terms of the arbitration award. Upon termination of this Agreement by the Government, every right of the Operator hereunder shall cease, and the Operator shall be relieved of all obligations except those obligations accrued prior to the effective date of or arising out of or related to the termination.

26. DISPOSITION OF ASSETS

26.1 Non-Movable Assets - - Upon cessation of use by the Operator for operations hereunder, but in no event later than the termination or expiration of this Agreement, each non-movable asset used by the Operator in the Exploration Area or the Production Area which is not otherwise property of the Government without charge.

26.2 Movable Assets

(a) At any time after cessation of use by the Operator for operations under this Agreement of each movable asset which is part of the Plant and Equipment, and in any event at any time after termination or expiration of this Agreement, the Government shall have the option to purchase each asset at the price hereinafter set forth, except that such assets may be sold or otherwise disposed of by the Operator in the ordinary course of business, and provided further, however, that if the Operator gives the Government notice of the Operator's intention to sell or otherwise dispose of any such asset, and the Government does not, within 90 days after such notice, notify the Operator of the Government's intention to exercise its option to purchase such asset, the Operator shall have the right, for a

29. NOTICES

(a) All notices, requests, reports, approvals, consents, designations or other communications (collectively referred to herein as "communications") required by, provided for in, or relative to this Agreement shall be in writing. All communications shall be delivered, in the case of the Government, to the Minister of Finance on matters relating to financial and commercial transactions, and in the case of the Operator, in care of Tolbert Law Firm, P. O. Box 725, Monrovia, Liberia, or such other address as may be designated in writing by the Operator. All technical reports relating to the exploration, development and exploitation of mineral deposits within the concession area shall be delivered to the Minister of Lands and Mines. These reports shall be in such form and have such content as shall be required by the Minister of Lands and Mines. A delivery of a communication shall be deemed effective when wrapped in a postage prepaid envelop for mailing properly addressed to the person or place indicated above and deposited with the Post Office of the Republic of Liberia; provided, however, that formal communications, such as demands or notices of default, as distinguished from routine communications, shall be considered effective only when actually received.

(b) Nothing in this Section shall be deemed to relieve the Operator from filing any report, return or other communication required by Liberian laws of general application at the time and in the manner therein prescribed.

30. LAWS OF GENERAL APPLICATION

Unless specifically provided herein to the contrary the Operator, its partners and employees and all persons dealing with any of them shall be subject to all Liberian Laws of general application. No person other than the Operator shall be deemed or is intended to have any rights or privileges under this Agreement unless specific provision to that effect is contained herein.

31. NON-WAIVER

The failure of either party at any time to require performance by the other party of any provisions hereunder shall in no way affect the right of that party thereafter to enforce the same, nor shall it affect the party's right to enforce any of the other provisions of this Agreement; nor shall the waiver by either party of the breach of any provisions hereof be taken or held to be a waiver of any subsequent breach of such provision or as a waiver of the provision itself.

32. GOVERNING LAW

Except as otherwise provided in Section 15.2, this Agreement shall be governed, construed and interpreted only in accordance with the laws of the Republic of Liberia.

33. PERIODIC REVIEW

Not less often than every 7 years after the commencement of commercial production, the parties shall consult together in Liberia for the purposes of considering such changes in or clarifications of this Agreement as either party deems to be appropriate. Unless otherwise renewed in writing by the Government prior to the conclusion of each such consultation, the exemptions provided in Section 16.4 shall expire six (6) months after the date herein provided for the commencement of such consultation.

obligations in respect of the area so surrendered except those obligations accrued prior to the effective date, of, or arising out of or related to, the surrender.

25. GOVERNMENT'S RIGHT TO TERMINATE

25.1 Causes for Termination - - The Government may terminate this Agreement if any of the following events shall occur:

(a) The Operator shall fail to make any of the payments described in this Agreement on the payment date, and such default is not cured within 14 days after notice by the Government (or within such longer period as may be specified in said notice), or shall materially fail to comply with any other conditions of this Agreement and such condition is not cured within 90 days after notice by the Government (or within such longer period as may be specified in said notice);

(b) The Operator shall voluntarily dissolve, liquidate or wind up its affairs, or shall make an assignment for the benefit of creditors, or shall petition or apply to any tribunal for the appointment of a trustee or receiver for itself, or of any substantial part of its assets; or shall commence any proceedings relating to it, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt law of any jurisdiction, whether or not hereafter in effect; or if any such petition or application is filed or any such proceedings are commenced against it, shall indicate its approval thereof, consent thereto, or acquiescence therein; or, if an order is entered appointing any such trustee or receiver or adjudicating the Operator bankrupt or insolvent, or approving the petition in any such proceedings, shall permit such order to remain in effect for more than 60 days;

(c) The Operator shall fail to timely comply with any final judgement of a Liberian court of competent jurisdiction or with any final decision by the arbitral tribunal under Section 27.

25.2 Procedure for Termination - - The Government may terminate this Agreement by giving notice thereof to the Operator; provided that if (a) the Operator disputes whether there has been a material failure to comply with the conditions of this Agreement, (b) such dispute is arbitrable under Section 27, and (c) the Operator, within 7 days after such notice, refers the dispute to arbitration in accordance with Section 27 and thereafter diligently prosecutes its claim thereunder, then the Government shall not terminate this Agreement except as the same may be consistent with the terms of the arbitration award. Upon termination of this Agreement by the Government, every right of the Operator hereunder shall cease, and the Operator shall be relieved of all obligations except those obligations accrued prior to the effective date of or arising out of or related to the termination.

26. DISPOSITION OF ASSETS

26.1 Non-Movable Assets - - Upon cessation of use by the Operator for operations hereunder, but in no event later than the termination or expiration of this Agreement, each non-movable asset used by the Operator in the Exploration Area or the Production Area which is not otherwise property of the Government without charge.

26.2 Movable Assets

(a) At any time after cessation of use by the Operator for operations under this Agreement of each movable asset which is part of the Plant and Equipment, and in any event at any time after termination or expiration of this Agreement, the Government shall have the option to purchase each asset at the price hereinafter set forth, except that such assets may be sold or otherwise disposed of by the Operator in the ordinary course of business, and provided further, however, that if the Operator gives the Government notice of the Operator's intention to sell or otherwise dispose of any such asset, and the Government does not, within 90 days after such notice, notify the Operator of the Government's intention to exercise its option to purchase such asset, the Operator shall have the right, for a

period ending 100 days after the giving of such notice, to sell or dispose of such asset, in accordance with the terms set forth in such notice, free of the Government's option. As to any such asset remaining unused at the expiration of said 180 days, the Government's option to purchase shall again become exercisable in accordance with the provisions of this Section 26.2(a).

(b) The price at which the Government shall have the option to purchase movable assets in accordance with Section 26.2(a), shall be as follows:

(i) In respect of any movable asset which is not part of the Infrastructure, but which is primarily intended for use in connection with the Infrastructure, including, illustratively, railroad rolling stock, the cost to the Operator net of any reserves for depreciation and amortization; and

(ii) In respect to any other movable asset, the fair market value thereof in place.

(c) The purchase price described in Section 26.2(b) shall be paid within 60 days after such price has been agreed upon or determined.

26.3 Demolition and Removal - - Notwithstanding the foregoing, the Government, by notice to the Operator, may require the demolition or removal of any or all of the plant and Equipment or the Infrastructure provided by the Operator pursuant to Section 6.2 in the Exploration Area or Production Area and if the Operator does not remove or demolish such asset or assets within a reasonable period after said notice, the Government may effect such demolition or removal at the expense of the Operator.

26.4 Conservation of Assets - - The Operator shall always take all reasonable measures to ensure that all the assets which the Government owns, or will own or have the right to purchase in accordance with Section 26.1 and 26.2, shall be maintained in its original condition (except for ordinary wear and tear), and none of such assets shall be disassembled, destroyed or disposed of except in the ordinary course of business or as specifically provided in this Section 26.

27. ARBITRATION

27.1 Submission to Arbitration - - Except as provided in Section 27.2, the Government and the Operator hereby consent to submit to the jurisdiction of the International Center for the Settlement of Investment Disputes all disputes arising out of this Agreement for settlement by arbitration pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States. All arbitration proceedings shall be held in Monrovia, Liberia, and the tribunal shall apply the laws and the jurisprudence of Liberia, subject to the provisions of Section 15.2 of this Agreement.

27.2 Non-Arbitral Matters - - Notwithstanding anything else in this Agreement to the contrary, any dispute concerning the proper application or interpretation of Liberian Laws of general application (including without limitation any regulations, orders, decrees, or procedures pursuant to such laws), whether or not such laws are expressly made applicable by the provisions of this Agreement, shall in no event be subject to arbitration. Such dispute shall be resolved solely in accordance with the administrative and judicial procedures provided by Liberian Law.

28. INDEMNIFICATION

The Operator shall at all times indemnify and hold the Government and its officers and agents harmless from all claims and liabilities for death or injury to persons or damage to property from any cause whatsoever arising out of the Operator's operations hereunder or as a result of the Operator's failure to comply with any law or regulation.

29. NOTICES

(a) All notices, requests, reports, approvals, consents, designations or other communications (collectively referred to herein as "communications") required by, provided for in, or relative to this Agreement shall be in writing. All communications shall be delivered, in the case of the Government, to the Minister of Finance on matters relating to financial and commercial transactions, and in the case of the Operator, in care of Tolbert Law Firm, P. O. Box 725, Monrovia, Liberia, or such other address as may be designated in writing by the Operator. All technical reports relating to the exploration, development and exploitation of mineral deposits within the concession area shall be delivered to the Minister of Lands and Mines. These reports shall be in such form and have such content as shall be required by the Minister of Lands and Mines. A delivery of a communication shall be deemed effective when wrapped in a postage prepaid envelop for mailing properly addressed to the person or place indicated above and deposited with the Post Office of the Republic of Liberia; provided, however, that formal communications, such as demands or notices of default, as distinguished from routine communications, shall be considered effective only when actually received.

(b) Nothing in this Section shall be deemed to relieve the Operator from filing any report, return or other communication required by Liberian laws of general application at the time and in the manner therein prescribed.

30. LAWS OF GENERAL APPLICATION

Unless specifically provided herein to the contrary the Operator, its partners and employees and all persons dealing with any of them shall be subject to all Liberian Laws of general application. No person other than the Operator shall be deemed or is intended to have any rights or privileges under this Agreement unless specific provision to that effect is contained herein.

31. NON-WAIVER

The failure of either party at any time to require performance by the other party of any provisions hereunder shall in no way affect the right of that party thereafter to enforce the same, nor shall it affect the party's right to enforce any of the other provisions of this Agreement; nor shall the waiver by either party of the breach of any provisions hereof be taken or held to be a waiver of any subsequent breach of such provision or as a waiver of the provision itself.

32. GOVERNING LAW

Except as otherwise provided in Section 15.2, this Agreement shall be governed, construed and interpreted only in accordance with the laws of the Republic of Liberia.

33. PERIODIC REVIEW

Not less often than every 7 years after the commencement of commercial production, the parties shall consult together in Liberia for the purposes of considering such changes in or clarifications of this Agreement as either party deems to be appropriate. Unless otherwise renewed in writing by the Government prior to the conclusion of each such consultation, the exemptions provided in Section 16.4 shall expire six (6) months after the date herein provided for the commencement of such consultation.

EFFECTIVE DATE

This Agreement shall become effective upon approval by the President of the Republic of Liberia. Thereafter, this Agreement shall be submitted for the approval of and ratification by the Legislature of Republic of Liberia. In the event that the Legislature declines to approve and ratify this Agreement, the Operator shall be relieved of all of its responsibilities hereunder and this Agreement shall forthwith terminate.

IN WITNESS THEREOF, the parties have executed this Agreement on the 13th day of April, 1978.

In the presence of:

FOR THE GOVERNMENT OF THE REPUBLIC LIBERIA

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

HONOURABLE
MINISTER OF LANDS AND MINES

[Handwritten signature]

HONOURABLE
MINISTER OF FINANCE

FOR THE OPERATOR

[Handwritten signature]

APPROVED: *[Handwritten signature]*

WILLIAM R. TOLBERT, JR.
PRESIDENT OF THE REPUBLIC OF
LIBERIA

[Handwritten signature]

WILLIAM A. BURKE, PRESIDENT
BENTLEY INTERNATIONAL TRADING
COMPANY

[Handwritten signature]

May 10, 1978
DATE

Section 2. This Act shall take effect immediately upon publication in hand-bills.

Any law to the contrary notwithstanding.

APPROVED
MAY 23 1978
[Handwritten signature]
PRESIDENT, R.L.