

AC 5097

This Mining Lease

made the 2ND day
of FEBRUARY, 1988 BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
GHANA (hereinafter called "THE GOVERNMENT") Acting by RICHARD KWAME
PEPRAH, P.N.D.C. Secretary for Lands and Natural Resources
(hereinafter called "THE SECRETARY") of the one part And TEBEREBIE
GOLDFIELDS LIMITED having its registered office in Accra (hereinafter
called "THE COMPANY") of the other part:

W H E R E A S:

1. The COMPANY was granted a Prospecting Licence dated 25th March, 1986 to prospect for gold in the Teberebie Concession area covering 23.83 square kilometres and the Company has applied to the Government for a Mining Lease to work, develop and produce gold within 50 square kilometres out of the total area covered by the Prospecting Licence.
2. 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 has agreed to grant the company a Gold Mining Lease on the terms and conditions hereinafter following.

NOW THIS AGREEMENT WITNESSES as follows:

1. GRANT OF SURFACE AND MINING RIGHTS

- (a) "The Government" hereby grants to the Company
ALL that piece of land described in the Schedule hereto and
part particularly delineated on the Plan hereto attached and
shown edged pink hereinafter called "The Mining Area"
together with mines, beds, seams, veins, channels, and
strata of gold and other associated mineral substances
lying and being within and under the surface for a term of
Thirty years from the date of this Agreement.
- (b) "The Government" hereby grants to the Company the exclusive
rights to work, develop and produce gold in the Mining Area
(including, the processing, storing and transportation of
ore and materials together with the rights and powers
reasonably incidental thereto subject to the provisions of
this Agreement for the said term of Thirty years.
- (c) "The Company" shall not, however, conduct any operations in
a sacred area and shall not, without the prior consent of
the "Secretary" conduct any operations:
 - (i) within 50 yards of any building, installation,
reservoir or dam, public road, railway or area
appropriated for railway; or
 - (ii) in an area occupied by a market, burial ground/cemetery
or Government office, or situated within a town or
village or set apart for, used, appropriated or
dedicated to a public purpose.



EXHIBIT COPY
Ministry of Lands
Accra

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- (d) The Company shall conduct its operations in a manner consistent with good commercial mining practices so as not to interfere unreasonably with vegetation in the Mining Area or with the customary rights and privileges of persons to hunt and snare game, gather firewood for domestic purposes and to collect snails.
- (e) The public shall be permitted at their sole risk to use without charge any road constructed by the company in the Mining Area in a manner consistent with good mining practices, safety and security, provided that such use does not unreasonably interfere with the operations of the Company hereunder and provided also that such permission shall not extend to areas enclosed for mining operations.
- (f) The Company may use the existing trees in the Mining Area to the extent that such use is necessary for its operations hereunder, subject to the payment of Royalty as hereinafter provided, and shall cultivate for its exclusive use such trees, wood or timber species as may be required for purposes of firewood, timber or mine support.
- (g) Nothing contained in this Agreement shall be deemed to confer any rights on the Company other than those set forth herein nor to permit the Company to dispense with the necessity of applying for and obtaining any permit or authority which the Company may be required by law or regulation to obtain in respect of any work or activities proposed to be carried out hereunder.

2. RIGHTS OF THIRD PARTIES IN THE MINING AREA

- (a) Subject to satisfactory arrangements between "the Government" and the Company, "the Government" shall grant first option to the company to work minerals other than gold discovered in the Mining Area.
- (b) Failing such satisfactory arrangements "the Government" and the Company, "the Government" reserves the rights to grant licences to third parties for prospecting or to enter into agreements for the production of minerals other than gold in the Mining Area, provided that any such activity shall not unreasonably interfere with the rights granted to the Company hereunder.

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

- (a) "The Government" may by reasonable notice in writing to the Company exclude from the Mining Area, at any time and from time to time, any part which may be required for any stated public purpose whatsoever, provided that:
 - (i) The parts so excluded shall not have a surface area in the aggregate greater than ten percent of the Mining Area.
 - (ii) Any parts of the Mining Area so excluded shall continue to form part of the Mining Area subject to this Agreement except that no mining operations shall be conducted on the parts so excluded.

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(iii) No part of the Mining Area shall be so excluded in respect of which the Company shall have given prior notice specifying that such part is required for mining operations hereunder or on which active operations have commenced or are in progress (such as digging, construction of installations or other works related to gold mining) but, in lieu thereof, a part equal in area to any such part shall be excluded for such public purposes, and

(iv) "The Government" shall not take to itself nor grant to third parties the right to mine gold from any parts so excluded.

(b) "The Company" shall be relieved of all liabilities or obligations hereunder in respect of any part excluded under this paragraph except liabilities or obligations accrued prior to such exclusion.

4. WORKING OBLIGATIONS

"The Company" shall continuously operate in the Mining Area in accordance 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 the sooner.

5. CONDUCT OF OPERATIONS:

- (a) The Company shall conduct all of its operations hereunder with due diligence, efficiency, safety and economy, in accordance with good mining practice and in a proper workmanlike manner, observing sound technical and engineering principles using appropriate modern and effective equipment, machinery, materials and methods, and to pay particular regard to reclamation, conservation and environmental protection.
- (b) The Company shall mine and extract ore in accordance with Par. 5(a) herein utilizing methods which include quarrying, pitting, trenching, stoping, shaft sinking, and dredging in the Mining Area.
- (c) The Company shall maintain all equipment in good and safe condition, normal wear and tear excluded, and shall keep all excavated areas, shafts, pits and trenches in good and safe condition and take all practical steps:-
- (i) To prevent damage to adjoining farms and villages;
 - (ii) To avoid damage to trees, crops, buildings, structures and other property in the Mining Area. To the extent, however, that any such damage is unavoidable, the Company shall pay fair and reasonable compensation.
- (d) The Company shall fence off effectually from the adjoining lands all pits, shafts and other works made or used under the powers hereof.

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- (e) 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 convenient occupation of the surface of the Mining Area.
- (f) The Company shall provide and maintain proper and sufficient drains, culverts, arches to passageways for carrying off any waters which shall arise or be produced or interrupted by any of the works hereby authorized so that the drainage of the mining area may not be prevented or prejudiced.

6. NOTIFICATION OF DISCOVERY OF OTHER MINERALS:

- (a) The Company shall report forthwith to "the Secretary", the Chief Inspector of Mines, the Chief Executive of the Minerals Commission, and the director of Geological Survey, the discovery in the Mining Area of any other mineral deposits and the Company shall be given the first option to prospect further and to work the said minerals, subject to satisfactory arrangements between the Government and the Company.
- (b) Failing any arrangements to the contrary the Company shall not produce any minerals from the Mining Area other than gold except they are unavoidably linked with the production of gold.

7. SAMPLES:

- (a) The Company shall not during the currency of this Agreement dispose of or destroy, except in analyses, any cores or samples obtained from the Mining Area without the prior consent in writing of the Chief Inspector of Mines.
- (b) The Company shall provide the Director of Geological Survey with such samples from the Mining Area as he may from time to time reasonably request.

8. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION:

- (a) The Company shall comply with all such reasonable instructions as may from time to time be given by the Chief Inspector of Mines for securing the health and safety of persons engaged in or connected with the operations hereunder.
- (b) The Company shall adopt all necessary and practical precautionary measures to prevent undue pollution of the atmosphere or rivers and other potable water and to ensure that such pollution does not cause harm or destruction to human or animal life or fresh water fish or vegetation.

9. POWER OF CHIEF INSPECTOR OF MINES TO EXECUTE CERTAIN WORKS:

- If the Company shall at any time fail to comply with any provisions of this Agreement or applicable law and such failure is likely, in the opinion of the Chief Inspector of Mines, to:
- (i) endanger the health or safety of person, or
- (ii) cause harm or destruction to potable water;

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10. LIABILITY FOR DAMAGE

- (a) Nothing in this Agreement shall be construed to limit the liability of the Company for property or damage done to the Company or the Government by the Government.
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10. LIABILITY FOR DAMAGE OR INJURY AND INDEMNITY:

- (a) Nothing in this Agreement shall exempt the Company from liability for any damage 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 Agreement.
- (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 Agreement 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. EMPLOYMENT AND TRAINING:

- (a) Citizens of Ghana shall be given preference for employment by the Company in all phases of its operations hereunder to the maximum possible extent, consistent with safety, efficiency and economy.
- (b) Except with respect to unskilled personnel, the Company may employ non-Ghanaian personnel in the conduct of its operations provided that the number of such non-Ghanaian personnel employed shall not exceed the quota permitted by the Government.
- (c) The Company shall provide appropriate programmes of instruction and theoretical and practical training to ensure the advancement, development, improved skills and qualification of Ghanaian employees in all categories of employment.

12. PREFERENCE FOR GHANAIAN GOODS AND SERVICES:

In the conduct of its operations and in the purchase, construction and installation of facilities, the Company shall give preference to:-

- (a) materials and products made in Ghana, if such materials and products are comparable or better in price, quality and delivery dates than materials and products from foreign sources;
- (b) service agencies located in Ghana owned by Ghanaian citizens or companies organized pursuant to Ghanaian law, including but not limited to, insurance agencies, bidding contractors, import brokers, dealers and agents if such agencies give or provide equal or better price and quality of service than competing foreign firms and can render services at such times as the Company may require.

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13. AFFILIATED COMPANY TRANSACTIONS:

- (a) Any services including services in respect of the purchase and acquisition of materials outside Ghana provided by an affiliated company, which are normally required by the Company in accordance with good mining practice shall be obtained only at a price which is fair and reasonable. The Company shall, at the request of the "Secretary", provide such justification of costs as may be required duly supported by an Auditor's certificate if necessary.
- (b) Any other transactions between the Company and an affiliated Company shall be on the basis of competitive international prices and such other terms and conditions as would be fair and reasonable had such transactions taken place between unrelated parties.
- (c) The Company shall notify "the Secretary" of any and all transactions between the Company and an affiliated company and shall supply such details relating to such transactions as "the Secretary" may by notice reasonably require.

14. TECHNICAL RECORDS:

- (a) The Company shall maintain at its registered or mine offices complete records of pits and trenches (location, depths or overburden and gravel and assay value) in the Mining Area in such form as may from time to time be approved by the Chief Inspector of Mines, Chief Executive of the Minerals Commission and the Director of Geological Survey.
- (b) The Company shall maintain at the said offices copies of all reports including interpretations dealing with gold prospects in the Mining Area in the course of its operations hereunder and copies of all tests and analyses, geological and geophysical maps, diagrams or charts relevant to its operations hereunder. These reports and records may be examined by persons in the service or acting on behalf of "The Government" and authorized in writing by "the Secretary".
- (c) The Company shall maintain at the said offices correct and intelligible plans and sections of all mines which plans and sections shall show the operations and workings which have been carried on as well as dykes, veins, faults and other 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 Mining Area, such records and data as are required to be maintained pursuant to this paragraph which relate to the Mining Area, or such part of the Mining Area as may have been surrendered shall be delivered to the Chief Inspector of Mines, Chief Executive of the Minerals Commission and the Director of Geological Survey and become the property of the Government without charge.

15. PRODUCTION RECO

The Company shall maintain accurate records of the production in the Mining Area by the Chief Inspector of Mines.

16. FINANCIAL RECO

- (a) The Company shall maintain detailed records of its financial accounts and books of account of the Company for each year as well as a clear balance sheet and records and
- (b) The Company shall generally
- (c) The Company shall submit statements of its financial accounts in U.S. Dollars or such other currency.
- (d) The Company shall submit such accounts to the Accountant General of the Government for audit and shall be liable for the cost of such audit.

17. REPORTS:

- (a) The Company shall submit reports to the Secretary of the Mining Survey, the Secretary shall be required to submit such reports to the Secretary of the Mining Survey within 14 days after the end of each month.
- (b) The Company shall submit reports to the Secretary of the Mining Survey within 14 days after the end of each month.

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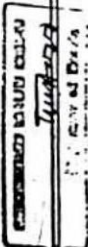
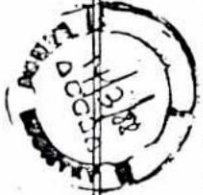
The Company shall maintain at the said offices complete and accurate technical records of its operations and production in the Mining Area in such form as may from time to time be approved by the Chief Inspector of Mines.

16. 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 hereunder, as well as all its expenditure. The Company shall provide for a clear basis for understanding and relating the financial records and accounts to its operations.
- (b) The Company's books of account shall be kept on the basis of generally accepted accounting principles.
- (c) 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 such claims and liabilities as may arise in such foreign currency.
- (d) The Company's books of account shall be audited within six months after the close of each Financial Year by a qualified Accountant, member of the Ghana Institute of Chartered Accountants. Such audit shall not in any way imply acceptance of such audit by "the Government" or preclude "the Government" from auditing such books of account. The Company shall deliver to "The Secretary" without charge copies of any part of such records as he may from time to time reasonably request.

17. REPORTS:

- (a) The Company shall furnish a report each quarter, to "The Secretary", the Chief Inspector of Mines, the Chief Executive of the Minerals Commission and the Director of Geological Survey, in such form as may from time to time be approved by the Secretary, of the quantities of gold won in that quarter, quantities sold, the revenue received and royalties payable for that quarter and such other information as may be required. Such reports shall be submitted not later than 30 days after the end of each quarter.
- (b) The Company shall furnish a report each half-year to "the Secretary", the Chief Inspector of Mines, the Chief Executive of the Minerals Commission and the Director of Geological Survey in such form as may from time to time be approved by "the Secretary" summarizing the results of its operations in the Mining Area during the half-year and records to be kept by the Company pursuant to paragraphs 14, 15 and 16 hereof. Each such report shall include a description of any geological or geophysical work carried out by the Company in that half-year and a plan upon a scale approved by the Chief Inspector of Mines showing mine workings and dredging areas.



Such reports shall be submitted not later than 40 days after the half-year to which they relate.

- (c) The Company shall furnish a report each Financial Year to "the Secretary", the Chief Inspector of Mines, and the Chief Executive of the Minerals Commission in such form as may from time to time be approved by "the Secretary" summarizing the results of its operations in the Mining Area during that Financial Year and the records required to be kept by "the Company" pursuant to paragraphs 14, 15 and 16 hereof. Each such report shall include a description of the proposed operations for the following year with an estimate of the production and revenue to be obtained therefrom. Such reports shall be submitted not later than sixty days after the end of each Financial Year.
- (d) The Company shall furnish "the Secretary", the Chief Inspector of Mines, the Chief Executive of the Minerals Commission and the Director of Geological Survey not later than three months after the expiration or termination of this Agreement, with a report giving an account of the geology of the Mining Area including the stratigraphic and structural conditions, together with a geological map on a scale prescribed in the Mining Regulations.
- (e) The Company shall furnish the Secretary and the Chief Executive of the Minerals Commission, with a report of the particulars of any proposed alteration to its regulations together with a report of the particulars of any proposed transfer of any share of its capital stock representing one percent or more of the total number of such shares of the capital stock then issued and outstanding. The company shall also furnish "the Secretary" and the Chief Executive of the Minerals Commission with a report of 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 "the Secretary" may require and shall be submitted not less than sixty days in advance of the proposed alteration, transfer, issue or borrowing, as the case may be.
- (f) The Company shall, not later than 180 days after the end of each financial year, furnish "the Secretary" and the Chief Executive of the Minerals 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 the Ghana Institute of Chartered Accountants. 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.

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18. INSPECTION:

- (a) Any person or persons in the service of or acting on behalf of "the Government" and authorized in writing by "the Secretary" shall be entitled at all reasonable times to enter into and upon any part of the Mining Area and the Company's registered office, for any of the following purposes:
- (i) to examine the mine workings, equipment, buildings, installation and any other structures used in the Mining operation;
 - (ii) to inspect the samples which the Company is required to keep in accordance with the provisions of this Agreement;
 - (iii) to inspect and check the accuracy of the weights and measures and weighing and measuring devices, which the Company is required to keep or make in accordance with the provisions of this Agreement;
 - (iv) to examine and make abstracts of the books and records kept by the Company pursuant to this Agreement;
 - (v) to ensure compliance by the Company with all applicable laws and regulations and with its obligations hereunder;
 - (vi) to execute any works which the Chief Inspector of Mines may be entitled to execute in accordance with the provisions of the Mining Laws and Regulations or of this Agreement.
- (b) The Company shall make reasonable arrangements to facilitate any such inspection, including making available employees of the Company to render assistance with respect to any such inspection. All such inspections shall be listed by the Company in the reports furnished each half year.

19. CONFIDENTIAL TREATMENT:

"The Government" shall treat all information supplied by the Company hereunder as confidential (for a period of five years from the date of submission of such information or upon termination of this Agreement whichever is sooner) and shall not reveal such information to third parties except with the written consent of the Company which consent shall not be unreasonably withheld. The Government and persons authorized by "the Government" may nevertheless use such information received from the Company for the purpose of preparing and publishing general reports on Minerals in Ghana and in connection with any dispute between "the government" and the Company.

20. RENTALS:

- (a) The Company shall pay rent to "the Government" at the rate of C.11,914.00.....per annum (C.500.00..... per square kilometre).
- (b) The said rent shall be paid half yearly in advance on or before the first day of January and on or before the first day of July in each year.
- (c) In the event of a surrender of any part of the Mining Area pursuant to paragraph 25 hereof, no rental payments shall be refunded in whole or in part in respect of any area so surrendered for which yearly rental has been paid in advance nor shall rental payments be refunded in the event of termination.

21. ROYALTIES:

- (a) The Company shall pay to "the Government" royalty prescribed by legislation.
- (b) The Company shall pay royalties to "the government" each quarter through the Commissioner of Internal Revenue based on the production for that quarter, within 30 days from the end of the quarter. Any necessary adjustments shall be made annually within 60 days of the end of each Financial Year, except that any over-payment of royalties shall not be refunded by "the Government" but shall be credited against royalties due and payable in the next quarter.
- (c) In the event of a dispute with respect to the amount of royalties payable hereunder the Company shall first make payment of the lower of the disputed amounts and shall pay any further royalty which shall be found to be payable forthwith upon the amount being agreed upon or determined by arbitration in accordance with paragraph 35 hereof. Such further royalty shall carry interest at the ruling prime rate in Ghana at the time of the award or agreement from the date on which such amount was originally payable.
- (d) The Company shall also pay royalties on all timber felled by the Company in accordance with existing legislation.

22. LATE PAYMENTS:

- (a) Anything herein to the contrary notwithstanding, the Company shall pay as penalty for any late payment to "the Government" of any amounts due hereunder, an additional amount calculated at the Bank of Ghana re-discount rate for every thirty-day period or part thereof for the period of the delay in paying the amounts that is to say the period between the actual payment date and the date on which each such payment should have been made.

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In the event the Company shall fail to make payment to "the Government" of any amount due hereunder, "the Government" without prejudice to any other rights and remedies to which it may be entitled, may, after giving 30 days notice in writing, enter into and upon the Mining Area and seize and distrain and sell as landlords may do for rent in arrears, all or any of the stocks of gold produced therefrom, and the plant and equipment, materials and supplies belonging to the Company which shall be thereon and out of the monies obtained from the sale of such distress may retain and pay all of the arrears of any amounts due hereunder and the costs and expenses incidental to any such distress and sale and deliver up the surplus (if any) to the Company.

23. TAXATION:

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

24. FOREIGN EXCHANGE:

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

25. SURRENDER:

(a) The Company may surrender at any time and from time to time, by giving not less than three months' notice to "the Secretary" all its rights hereunder in respect of any part of the Mining Area not larger in the aggregate than 20% of the said Area. The Company may surrender a larger part of the Mining Area by giving not less than twelve months' notice to "the Secretary". The Company shall be relieved of all obligations in respect of the part or parts of the Mining Area so surrendered except those obligations which accrued prior to the effective date of surrender.

(b) The Company shall leave the part of the Mining Area surrendered and everything thereon in a good and safe condition, provided, however that the Company shall have no such obligations for areas surrendered on which the Company has not undertaken any works or which have not been affected by the operations of the Company. In addition to complying with the provisions of paragraph 29 hereof, the Company shall take all reasonable measures, in accordance with good mining practices to leave the surface of such part of the Mining Area surrendered in good and usable condition having regard to the ecology, drainage, reclamation and environmental protection. In the event that the Company fails to do so, "the Secretary" shall make such part and everything thereon safe and in good, usable condition at the expense of the Company. The provisions of sub-paragraphs (a) and (c) of Paragraph 28 hereof shall apply.

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(c) The Company shall, on such terms and conditions as may be agreed upon between the Government and the Company, 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 wayleaves shall not form part or be included in the calculation of the amount of the retained part.

(d) "The Government" may require that there be reserved over any part surrendered such wayleaves, easements or other rights as shall in its opinion be necessary or convenient for the benefit of any party to whom "the Government" may subsequently grant a Gold Prospecting Licence or Gold Mining Lease.

26. EXTENSION:

If the Company, not less than six months before expiration of this Agreement applies to "the Secretary" for an extension of term hereof and if the Company shall not be in default at the time in the performance of any of its obligations hereunder, the Company shall be entitled to an extension of the Agreement on such terms and conditions as the parties may then agree.

27. COMPANY'S RIGHT TO TERMINATE AGREEMENT:

The Company may, if in its opinion the Mine can no longer be economically worked, terminate this Agreement 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 hereunder prior to the effective date of such termination.

28. GOVERNMENT'S RIGHT TO TERMINATE AGREEMENT:

(a) "The Government" may, subject to the provisions of this paragraph, terminate this Agreement if any of the following events shall occur:-

- (i) The Company shall fail to make any of the payments described in this Agreement on the payment date;
- (ii) The Company shall contravene or fail to comply with any other conditions of this Agreement; or
- (iii) The Company shall become insolvent or bankrupt or enter into any agreement or composition with its creditors or take advantage of any law for the benefit of debtors or go into liquidation, whether compulsory or voluntary except for the purposes of reconstruction or amalgamation; or
- (iv) The Company makes a written statement to "the Government" on any material matter in connection with this Agreement which the Company knows is false or makes recklessly without due regard as to whether it was true or false.



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and whenever the Government terminate this Agreement pursuant to the preceding sub-paragraph, "the Company" shall give notice specifying the failure and permit the Company three months of such notice, "the Secretary may specify in such the circumstances.

If the Company shall fail to comply with clauses (i) and (ii) of sub-paragraph (iii) and (iv) of the said sub-paragraph "the Government" may by notice to "the Secretary" terminate this Agreement, provided that if there has been any contravention of the conditions hereof (including calculation of payments by the Company hereunder), and the Company hereunder, the Company shall refer the dispute to the Arbitration Panel provided in Paragraph 35 hereof and, the claim thereunder, "the Government" may by notice to "the Secretary" terminate this Agreement except as the same may be provided in the award.

No delay or omission or course of action shall impair any of its rights or be a waiver of any event specified in this Paragraph or an acquisition of rights. Upon termination of this Agreement, the right of the Company hereunder to sue shall be specifically provided hereunder without prejudice to any obligations incurred under this Agreement at the time of termination and to such rights as may be provided under law.

PROVISIONS ON TERMINATION OR EXPIRATION:

Upon the termination or expiration of this Agreement, all immovable assets of the Company and other appurtenances, pits, shall become the property of "the Government" from the effective date of the termination. All materials, supplies, and equipment of the Company in the Mine for tax purposes, shall be without charge on the effective date of termination. Any such property shall be depreciated for tax purposes in accordance with the Government within sixty days of termination or expiration.

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AGREEMENT:

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and whenever the Government decides there are grounds to
terminate this Agreement pursuant to clauses (i) and (ii) of
preceding sub-paragraph, "the Government" shall give the
Company notice specifying the particular contravention or
failure and permit the Company to remedy the same within
three months of such notice, or such longer period as the
Secretary may specify in such notice as being reasonable in
the circumstances.

If the Company shall fail to remedy any event specified in
clauses (i) and (ii) of sub-paragraph (a) of this Paragraph
within the stated period, or an event specified in clauses
(iii) and (iv) of the said sub-paragraph shall occur "the
Government" may by notice to "the Company" terminate this
Agreement, provided that if the Company disputes whether

there has been any contravention or failure to comply with
the conditions hereof (including any dispute as to the
calculation of payments by the Company to the Government
hereunder), and the Company shall, within such period as
Paragraph 35 hereof and, thereafter, diligently prosecute its
claim thereunder, "the Government" shall not terminate this

Agreement except as the same may be consistent with the terms
of the arbitration award.

(d) No delay or omission or course of dealing by "the Government"
shall impair any of its rights hereunder or be construed to
be a waiver of any event specified in sub-paragraph (a) of
this Paragraph or an acquiescence therein.

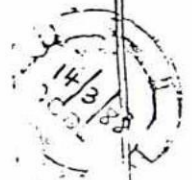
(e) Upon termination of this Agreement by "the Government" every
right of the Company hereunder shall cease (save as otherwise
specifically provided hereunder) but subject nevertheless and
without prejudice to any obligation or liability imposed or
incurred under this Agreement prior to the effective date of
termination and to such rights as "the Government" may have
under law.

ASSETS ON TERMINATION OR EXPIRATION:

(a) Upon the termination or expiration of this Agreement,
immovable assets of the Company in the Mining Area and all
other appurtenances, pits, trenches and boreholes shall
become the property of "the Government" without charge on the
effective date of the termination or expiration.

(b) All materials, supplies, vehicles and other movable assets of
the Company in the Mining Area which are fully depreciated
for tax purposes, shall become the property of the Government
without charge on the effective date of termination or
expiration. Any such property which is not then fully
depreciated for tax purposes shall be offered for sale to the
Government within sixty days from the effective date of such
termination or expiration at the depreciated cost.

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If the government shall not accept such offer within six days, the Company may sell, remove or otherwise dispose all such property during a period of one hundred and eighty days after the expiration of such offer. All such property not sold, removed or otherwise disposed of shall become property of "the Government" without charge.

(c) Notwithstanding the foregoing, the Secretary, may by notice to the Company require the removal or destruction of any assets of the Company in the Mining Area and if the Company does not remove or destroy such assets within a period of thirty days from the date of the Secretary's notice to that effect, the Secretary shall cause such removal or destruction at the expense of the Company.

(d) The Company shall take all reasonable measures to ensure that all of the assets to be offered for sale to "the Government" or transferred to "the Government" in accordance with this Paragraph shall be maintained in substantially same condition in which they were at the date of the termination or the date on which the Company reasonably expects 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.

(e) Upon the termination or expiration of this Agreement, the Company shall leave the Mining Area and everything thereon in a good condition, having regard to the ecology, conservation, reclamation, environmental protection, drainage and safety provided however that the Company shall have no obligation in respect of areas where the Company has

not undertaken any work or which have not been affected by the Company's operations. In this connection unless the Chief Inspector of Mines otherwise directs, "the Company" shall, in accordance with good mining practice, fill up or fence and make safe all holes and excavations to the reasonable satisfaction of the Chief Inspector of Mines. In addition the Company shall take all reasonable measures to leave the surface of the Mining Area in usable condition, to restore all structures thereon not the property of the Company to their original condition. In the event that the Company fails to do so, "the Secretary" shall restore and make the Mining Area and everything there safe at the expense of the Company.

(f) The Company shall have the right to enter upon the Mining Area for the aforesaid purposes, subject to the rights of surface owners or others, for a period of six months from the effective date of the termination or such longer period as the Secretary may decide.

STRICT LIABILITY:

All obligations on the part of any of the conditions hereof for the payment of monies due to the Company during the period, the Company shall be free from fulfilling such obligations, provided that all reasonable precautions and alternative measures with respect to non-compliance and of our part hereunder. The Company shall not be liable to remove such causes of the conditions hereof with the exception of the following: For the purpose of this paragraph, "government restraints" shall not include the Company with the consequences of strikes, insurrection, or other adverse weather conditions which the Company could not reasonably be expected to control, but shall not include any failure to observe good mining practice by the Company or any of its employees. The Company shall notify the Secretary of the hours of any event of force majeure which may fulfil the conditions hereof and shall not endanger the natural resources of the Mining Area. The Government of the State shall, within forty-eight hours of the occurrence of such event, in addition to the requirements of this Paragraph, shall be required to provide the Company with a period of time equal to the period of time which the Company was affected by such event. (a) and (b) of this sub-paragraph shall not apply to the Company if the same shall be agreed by the parties to this Agreement.

POLITICAL ACTIVITY:

The Company shall not engage in any political activity, nor shall it make any donation, gift or contribution to any political party, nor shall it employ, other than a citizen of the State, any person who is a member of any political party, nor shall it make any contribution to any political party. In the event of any violation of this condition, the Company shall be liable to the Secretary.

ADVERTISEMENTS, PROSPECTUSES:

Neither "the Company" nor any of its employees shall in any manner claim or suggest, whether directly or indirectly, that "the Government" or any agency thereof has any opinion with respect to the Company or its operations. No statement to this effect shall be included in any prospectus notice, circular or similar document issued by the Company for the purpose of raising



CERTIFIED TRUE COPY
Secretary
Department of Mines

33. CO-OPERATION OF THE PARTIES:

Each of the parties hereto 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 or otherwise as may be reasonably required for the purpose of implementing or assuring the rights and obligations of the other party under this Agreement.

34. NOTICE:

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

35. ARBITRATION AND SETTLEMENT OF DISPUTES:

(a) Any dispute or differences between the parties arising out of or in connection with this Agreement or any agreed variation thereof or in respect of the interpretation or enforcement of the provisions of this document or any agreed variation or as to the rights, duties or liabilities of either party shall unless the parties agreed to submit to any procedures available in Ghana for the settlement of such dispute be submitted at the instance of any party to the jurisdiction of the International Centre for the Settlement of Investment Disputes for settlement by reconciliation or arbitration pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States.

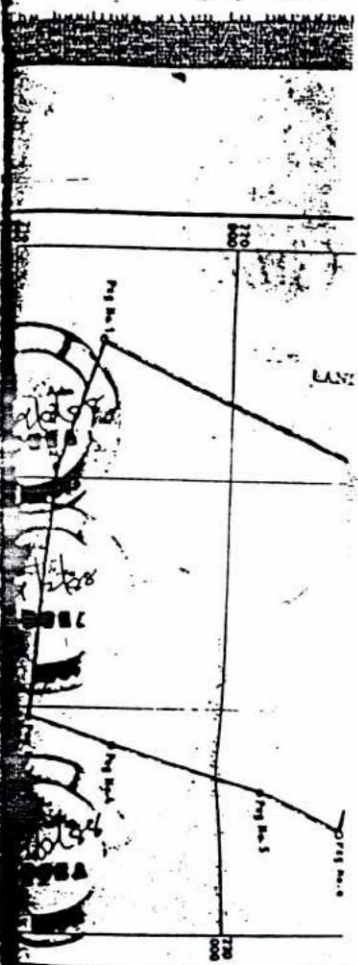
(b) The Parties acknowledge and agree that this Agreement was made on the basis of the laws and conditions prevailing at the date of effective conclusion of the negotiation of this Agreement and accordingly if thereafter, new laws and conditions come into existence which unfairly affect the interest of either party to this Agreement then the party unfairly affected shall be entitled to request a re-negotiation and the parties shall thereupon re-negotiate. The parties hereby undertake and covenant with each other to make every effort to agree, co-operate, negotiate and to take such action as may be necessary to remove the causes of unfairness or disputes.

36. ASSIGNMENT AND TRANSFER OF STOCK:

(a) This Agreement shall not be assignable in whole or in part by the Company without the consent of "the Government".

(b) "The Government" may impose such conditions precedent to the giving of such consent as it may deem appropriate in the circumstances. No assignment, however, may relieve the Company of its obligations under this Agreement except to the extent that such obligations are actually assumed by the Assignee.

During the term of this Agr...




ENCLOSED TRUST
Trustee of Trusts
Registrar of Deeds

[Handwritten Signature]
SECRETARY

OATH OF PROOF

I, FRED OHENE-KENA of ACCRA make oath and say that on the 2ND day of FEBRUARY 1988 I was present and saw RICHARD KWAME PEPRAH duly execute the Instrument now produced to me and marked "A" and that the said RICHARD KWAME PEPRAH can read and write.

SWORN at Accra, this 2ND day of
FEBRUARY One Thousand Nine
Hundred and Eight-Eight (1988)


DEPONENT

BEFORE ME


REGISTRAR OF LANDS

CERTIFICATE OF PROOF

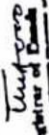
On the 2ND day of FEBRUARY 1988 at 2.00 o'clock
in the AFTERNOON this Instrument was proved before me by the
Oath of the within-named FRED OHENE-KENA to have been duly executed
by the within-named RICHARD KWAME PEPRAH for and on behalf of "the
Government" of the Republic of Ghana the Lessor herein.


REGISTRAR OF LANDS

This is the Instrument marked 'A' Referred to in the Oath of FRED OHENE-KENA
sworn before me this 2ND day of FEBRUARY 1988.


REGISTRAR OF LANDS

14/3/88
ACCRA

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Registrar of Lands

During the term of this Agreement, no shares of the capital stock of the Company may be transferred without the prior consent in writing of "the Government" unless such a transfer will not result in a change in control of the Company.

NOTICES:

Headings given to paragraphs in this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

GOVERNING LAWS:

This Agreement shall be governed and construed in accordance with the Laws for the time being in force in Ghana.

THE SCHEDULE ABOVE REFERRED TO

that area generally bounded by National Grid Co-ordinates
1 214500, 514000, No.2. 212250, 519500 No.3. 211100, 530500
4. 215250, 531750 No.5. 221810, 533850 No.6 225080, 535600
7 231220, 521840 on topographical one inch to one mile sheets
and 20 which parcel of land is more particularly delineated on
a plan annexed hereto for the purpose of identification and not
limitation.

IN WITNESS WHEREOF the party of the first part has hereunto set his
hand and seal the party of the second part has hereunto caused its
hand and seal to be affixed the day and year first above written.

SEALED AND DELIVERED by
KWAME PEPRAH, Secretary responsible
for Lands and Natural Resources, for and on
behalf of the Government of Ghana who by his
written warrants to the other party that he
is authorised and empowered to enter into
this Agreement.

In presence of:

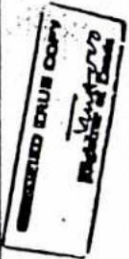
[Signature]
ED. OYENG-LENA
MINISTRY OF LANDS &
NATURAL RESOURCES, ACCRA

COMMON SEAL OF TEREKIBIE GOLDFIELDS
was hereto
affixed in the presence of:

[Signature]
SECRETARY

[Signature]

[Signature]
DIRECTOR



This Agreement except to
be actually assumed by the

Dated This... 17th Day of February 1988

CONTINENT OF THE REPUBLIC OF GHANA

AND

TEREBEIE GOLDFIELDS LIMITED

COULD
Mining Lease

Muhammad (Chie)
Registrar of Lands

SOLICITOR OF THE
SUPREME COURT
GHANA

GHANA LAND REGISTRY
Registered as No. 302/1988
MRS. M. C. ...
Registrar of Lands



Stamp: *Muhammad (Chie)*
Registrar of Lands

APPROVED TO
G. A. E. ...
CANCELED
ON THIS
17th FEB 1988
Muhammad (Chie)

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ACT 1967 I CERTIFY THAT IN MY OPINION THIS
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All obligations on the part of the Company to comply with
any of the conditions hereof (except the obligation to make
payment of monies due to the Government) shall be suspended
during the period the Company is prevented by force majeure
from fulfilling such obligations, the Company having taken
all reasonable precautions, due care and reasonable
alternative measures with the objective of avoiding such
non-compliance and of carrying out its obligations
hereunder. The Company shall take all reasonable steps to
remove such causes of the inability to fulfil the terms and
conditions hereof with the minimum of delay.

For the purpose of this paragraph, force majeure includes
government restraints not arising from the non-compliance by
the Company with the conditions herein, acts of God, war,
strikes, insurrection, riots, earthquakes, storm, flood 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.

The Company shall notify the Secretary within forty-eight
hours of any event of force majeure affecting its ability to
fulfil the conditions hereof or of any events which may
endanger the natural resources of Ghana and similarly notify
the Government of the restoration of normal conditions
within forty-eight hours thereof. This provision shall be
in addition to the requirements of the Mining Regulations.

The terms of this Agreement shall be extended for a period
of time equal to the period or periods during which the
Company was affected by conditions set forth in paragraph
(a) and (b) of this sub-paragraph or for such period as may
be agreed by the parties.

3. POLITICAL ACTIVITY:

The Company shall not engage in political activity of any kind in
Ghana or make a donation, gift or grant to any political party.
The Company shall make it a condition of employment that no
employee, other than a citizen of Ghana shall engage in political
activity and shall not make donations, gifts or grants to any
political party. In the event of any such employee acting in
violation of this condition, he shall be dismissed forthwith.

4. 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 thereof, has expressed
any opinion with respect to gold in the Mining Area and a
statement to this effect shall not 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 new capital.



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