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MINERAL DEVELOPMENT AGREEMENT

Between

**THE GOVERNMENT OF
THE REPUBLIC OF LIBERIA,**

PUTU IRON ORE MINING, INC.,

and

MANO RIVER IRON ORE LTD.

Dated as of 2 September, 2010

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MINERAL DEVELOPMENT AGREEMENT

This Mineral Development Agreement (as hereinafter defined, the “Agreement”) is made the **2nd of September, 2010** by and among

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA

represented by the Minister of Lands, Mines and Energy, the Minister of Finance, and the Chairman of the National Investment Commission, and attested to by the Minister of Justice,

PUTU IRON ORE MINING, INC.,

a corporation organized under the laws of Liberia (as hereinafter defined, the “Company”), and solely for the purposes of Sections 27 and 33.6,

MANO RIVER IRON ORE LTD.,

a corporation organized under the laws of the Seychelles (as hereinafter defined, the “Shareholder”).

Capitalized terms used in this Agreement without other definition have the respective meanings assigned to them in Section 1.

WITNESSETH:

- A. Every Mineral on the surface of the ground or in the soil or sub-soil, rivers, water courses, territorial waters and continental shelf of Liberia is the property and national wealth of Liberia and all rights related to the exploration for and exploitation of Minerals belong exclusively to Liberia.
- B. The Government desires to encourage the further exploration and development of Minerals in Liberia, and wishes to promote and facilitate the operation of mining companies in connection therewith.
- C. The Government also desires, through the operation of mining companies, to benefit regions in which Minerals are developed, including facilitating growth centers and education for sustainable regional development, to create more employment opportunities, to encourage and develop local business and ensure that skills, know-how and technology are transferred to citizens of Liberia, to acquire basic data regarding and related to the country’s Mineral resources and to preserve and rehabilitate the natural environment for further development of Liberia.
- D. The Company has requested the Government to extend and modify its rights under its exploration license and to enter into this Agreement for the purpose of confirming the terms and conditions that will govern the Company’s transition to a Class A mining license and its operations under a Class A mining license.
- E. The Government is willing to grant the Company’s rights with respect to Mineral exploration and mining in Liberia on the terms and conditions set forth herein, and the Company is willing to accept such rights on the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereby agree as follows:

SECTION 1 DEFINITIONS, TERMINOLOGY AND INTERPRETATION

The following terms wherever used in this Agreement shall have the respective meanings set forth below:

“Acceptable Third Party Financial Institution” means a third party financial institution with a long-term credit rating of at least A (or its equivalent) from at least two internationally recognized credit-rating agencies.

“Affiliate” of any Person means any other Person that, directly or indirectly, Controls or is Controlled by or is under common Control with, such Person.

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

“Annual Social Contribution” has the meaning given in Section 8.2(a).

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

“Chairperson of the Commission” means the person designated as the Chairperson of the Commission in accordance with Section 25.7(a).

“Chairperson of the National Investment Commission” means the Chairperson of the National Investment Commission of the Republic of Liberia.

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

“CIM Code” has the meaning given in the definition of Selected CRIRSCO Code.

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

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

“Communication” has the meaning given in Section 28.1.

“Company” means Putu Iron Ore Mining Inc., a corporation organized under the laws of Liberia, and its successors by operation of law and permitted assigns or any transferee pursuant to Section 23.

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

“Competent Person” has the meaning assigned in the Selected CRIRSCO Code, provided that for three years from the Effective Date the term “Competent Person” shall also include a geologist who is a citizen and resident of Liberia with a graduate degree in mineral geology from an internationally recognized geology program who lacks the professional membership requirements imposed for qualification as a Competent Person under the Selected CRIRSCO Code but who otherwise has a minimum of five years post-graduate experience in non-

governmental employment relevant to the style of mineralisation and type of deposit or class of deposit under consideration and to the activity which that person is undertaking, provided that (a) if such person is estimating or supervising the estimation of Mineral Resources, the relevant experience shall be in the estimation, assessment and evaluation of Mineral Resources, (b) if such person is estimating, or supervising the estimation of Mineral Reserves, the relevant experience shall be in the estimation, assessment, evaluation and assessment of the economic extraction of Mineral Reserves, and (c) such person has certified to the Minister that he has the requisite professional competence in the commodity, type of deposit and situation under consideration.

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

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

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

“Deflator” means the GDP Implicit Price Deflator as published and revised from time to time by the U.S. Department of Commerce Bureau of Economic Analysis. If such index is no longer published, the parties shall agree upon a functionally and substantively similar replacement reference or otherwise agree upon adjustments that will substantially preserve the economic impact and timing of the periodic adjustments contemplated by Sections 8.2(b), 11.3(b) and 11.4.

“Development” means all preparation for the removal and recovery of Minerals, including the construction and installation of all Mining Plant, Infrastructure and other equipment to be used in connection with the mining, handling, milling, beneficiation or other processing or transportation of Minerals.

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

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

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

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

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

“ECOWAS” means the Economic Community of West African States.

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

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

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

“Environmental Restoration Obligations” has the meaning given in Section 5.5(c).

“Environmental Restoration Obligations Funding Agreement” has the meaning given in Section 5.5(c).

“Environmental Restoration Obligations Guarantee” has the meaning given in Section 5.5(c).

“EPA” means the Environmental Protection Agency of Liberia and any other ministry, department or agency of Liberia that succeeds to its environmental protection functions.

“Event of Default” means a Government Event of Default or a Company Event of Default.

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

“Existing Exploration License” means the exploration license listed on Schedule 2 attached hereto, which is a “License” for the purposes of the Exploration Regulations, and which comprises the Exploration Area.

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

“Exploration Area” means the area described in Schedule 1 to this Agreement as such area may be modified by Section 3.2 of the Exploration Regulations.

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

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

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

“Exploration License” means the Existing Exploration License.

“Exploration Period” means, with respect to the portion of the Exploration Area covered by the Existing Exploration License, the period commencing on the Effective Date and ending on September 30, 2012.

“Exploration Period Project Linkages Plan” has the meaning given in Section 4.2(e).

“Exploration Regulations” means the Regulation Governing Exploration Under a Mineral Exploration License of the Republic of Liberia which became effective on and after March 2010, as from time to time amended, supplemented or modified.

“Feasibility Consultant” has the meaning given in Section 5.1(e)(i).

“Feasibility Report” has the meaning given in Section 5.1(e)(i).

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

“Financial Year” means January 1 through December 31, or such other period of twelve calendar months ending on March 31, June 30 or October 31 as may be agreed by the parties.

“Force Majeure” has the meaning given in Section 29.2.

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

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

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

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

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

“ICSID” means the International Centre for Settlement of Investment Disputes established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

“IFRS” has the meaning given in Section 17.4(a).

“Immovable” means, when referring to tangible property, all improvements to the Land, such as roads, dams, and canals, and all items of tangible property that are securely affixed and attached to the Land or to buildings or other structures on the Land. All other items of tangible property are “Movable”.

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

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

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

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

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

“International Highway Standards” means designed and constructed, and including all drainage, signage, traffic control and safety features as are reasonably required, in each case in accordance with such practices, methods and acts as are used in accordance with good standards of skill, diligence, judgment, prudence and foresight practiced by prudent

professionals employed by leading international firms in the road construction industry for a paved two carriageway road

“International Standards” means such practices, methods and acts as are in accordance with good standards of skill, diligence, judgment, prudence and foresight practiced by prudent professionals employed by leading international firms in the international mining industry (for example, firms that are members of the International Council on Minerals and Metals), provided that the Government may by Law designate a particular International Standard as being generally applicable to all holders of Class A mining licenses or exploration licenses issued under the Mining Law.

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

“LCIA” means the London Court of International Arbitration.

“Iron Ore” means Minerals of which the principal economic value is its iron content.

“JORC Code” has the meaning given in the definition of Selected CRIRSCO Code.

“Land” means any land in Liberia including any creeks, streams, rivers or bodies of water (and their residue) contained on or within all such land.

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

“Law” means any constitution, treaty obligation, law, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclamation, directive, executive order or other sovereign act of the Government other than this Agreement.

“Legislature” has the meaning given in Section 2.

“Liberian Currency” means any currency, except Dollars, that is legal tender in Liberia, or circulates freely in any part of Liberia by virtue of any Law or authority as a medium of exchange for the purchase or sale of goods and services.

“License Term” has the meaning given in Section 4.1.

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

“Management Rights” means, with respect to a Person, the right to participate in the direction of the management and policies of such Person, through such means (by way of example and not limitation) as (i) the power to direct the vote of shares entitled to participate in the election of directors of such Person, (ii) any other right to participate in the designation of the directors of such Person, (iii) the power to act as, or to direct the vote of a voting partner of, any such Person that is a partnership, or (iv) the contractual right to act as a manager or operator of any such Person that is a limited liability company or similar entity, or to participate in the direction of such manager or operator.

“Material Adverse Effect” means any material adverse effect on (i) Operations or (ii) the ability of the Company or the Shareholder to exercise its rights or perform its respective obligations under this Agreement, any Exploration License or any Mining License.

“Mine” when used as a verb, means to intentionally extract or win Minerals and includes any Operations directly or indirectly incidental thereto. “Mining”, when used as a verb, has a corresponding meaning. “Mine”, when used as a noun, refers to the tangible shafts, cuttings, excavations and diggings from which or through which Minerals are extracted from the earth.

“Mineral” or “Minerals” means a naturally occurring element or compound having an orderly internal structure and characteristic chemical composition, crystal form, and physical properties, formed by or subject to a geological process but not including hydrocarbons.

“Mineral Development Fund” means the Mineral Development Fund established by the Mining Law.

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

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

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

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

“Mining License” means a Class A mining license granted by the Government to the Company under the Mining Law and Section 5 of this Agreement to Mine and produce specific Minerals in a specified area in Liberia, which shall be substantially in the form of Exhibit 1 hereto or as the parties may otherwise agree.

“Mining Plant” means all facilities and equipment constructed or acquired by purchase, lease or otherwise by the Company that are directly used in the extraction, milling, beneficiation or other processing of Minerals into the form in which they are marketed by the Company, including both Immovable items and Movable items. For the avoidance of doubt, facilities and equipment used to transport Minerals after extraction and through the final stage of processing by the Company (including direct Mineral load-out facilities integrated into the final processing facility and transport from the final processing facility to adjacent storage areas) constitute Mining Plant, while such things as facilities and equipment used to load and transport Minerals onward from the point of final processing constitute Infrastructure.

“Mining Term” has the meaning given in Section 5.8(a).

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

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

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

“Ministry” means the Ministry of Lands, Mines and Energy of Liberia and any other ministry, department or agency of Liberia that succeeds to its responsibilities of supervising the undertaking of Mineral exploration and mining activities in Liberia.

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

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

“Ministry of Public Works” means the Ministry of Public Works of the Republic of Liberia.

“Mortgage” has the meaning given in Section 23.6.

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

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

“National Investment Commission” means the National Investment Commission of the Republic of Liberia.

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

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

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

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

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

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

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

“party” means either the Government or the Company or, solely for the purposes of Sections 27 and 33.6, the Shareholder, and, in the plural form, both the Government and the Company and, solely for the purposes of Sections 27 and 33.6, the Shareholder.

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

“Permitted Subsidiaries” means the Company’s wholly-owned Liberian Subsidiaries working exclusively with the Company in relation solely to the Operations.

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

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

“Port” has the meaning given in Section 6.7(a).

“Power Plant” has the meaning given in clause (7) of Section 5.4(a)(iv).

“Pre-Feasibility Report” has the meaning given in Section 4.6.

“Prevailing Market Rate of Exchange” means the predominant rate, expressed in Dollars, at which willing sellers and willing buyers, acting at arms-length and in the ordinary course of business, are, on the day that the transaction takes place (or, if that day is not a business day, the preceding business day), prepared to purchase or sell (as appropriate for the applicable transaction) any currency issued by authority of the Central Bank of Liberia or any successor governmental agency of Liberia or any relevant currency of another jurisdiction (as the case may be) in London, United Kingdom and “business day” for purposes of this definition means a day on which banks are open for normal banking business in London, United Kingdom.

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

“Pricing Agreement” has the meaning given in Section 15.3(a).

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

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

“Production” means the commercial exploitation of Minerals found in the Exploration Area and authorized to be exploited under a Mining License and all other activities incidental thereto including the design, construction, installation, fabrication, operation, maintenance and repair of Mining Plant, Infrastructure and any other equipment, and the Mining, processing, stockpiling, transportation, export and sale of such Minerals.

“Production Area” means any of the areas in the Exploration Area designated by the Company as a “Proposed Production Area” pursuant to Section 5.1 for which the Government has granted a Mining License to the Company pursuant to Section 5.3, including, for the avoidance of doubt, Retained Production Areas.

“Production Operating Period” means the period of time during which the Mining Plant is being operated, maintained and repaired and the Mining, processing, stockpiling, transportation, export and sale of Minerals is occurring.

“Profound Changes in Circumstances” means such changes, since the relevant base period under Section 31.1, in the economic conditions of the mineral and mining industry worldwide or in Liberia, or such changes in the economic, political or social circumstances existing in Liberia specifically or elsewhere in the world at large as to result in such a material and fundamental alteration of the conditions, assumptions and bases relied upon by the parties at such base period that the overall balance of equities and benefits reasonably anticipated by them will no longer as a practical matter be achievable.

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

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

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

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

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

“Railroad” has the meaning given in Section 6.7(a).

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

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

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

“Relinquished Area” has the meaning given in Section 4.3.

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

“Retained Production Areas” has the meaning given in Section 4.3.

“Revenue Code” means the Revenue Code of Liberia 2000 of Liberia, as amended by the Economic Stimulus Tax Act of 2009, as from time to time further amended, supplemented or modified, or any successor revenue code of Liberia.

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

“Road” has the meaning given in Section 6.6.

“Royalty” has the meaning given in Section 15.1.

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

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

“SAMREC Code” has the meaning given in the definition of Selected CRIRSCO Code.

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

“Selected CRIRSCO Code” means a Committee for Mineral Reserves International Reporting Standards (CRIRSCO) recognized mineral evaluation code such as the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Africa Coded for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as in effect from time to time (the “JORC Code”), the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources or Mineral Reserves, as in effect from time to time (the “CIM Code”), or the South African Mineral Resource Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, as in effect from time to time (the “SAMREC Code”), as elected by the Company from time to time. Initially, the Selected CRIRSCO Code is the SAMREC Code. If the Selected CRIRSCO Code is no longer in effect or no longer defines a term defined herein by reference to it, the Company will select a CRIRSCO-compliant replacement code or if none exists a functionally and substantively similar replacement code and promptly notify the Government thereof.

“Shareholder” means Mano River Iron Ore Ltd., a corporation organized under the laws of the Seychelles, or any successor to whom Control is transferred as provided for in Section 27.6(e).

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

“Start of Commercial Production” with respect to each Project, has the meaning given to the commencement of “commercial production” in Section 700 (e) of Exhibit 3.

“Subsidiary” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person and/or one or more of its Subsidiaries.

“Taxes and Duties” means any and all direct and indirect income, profit, excess profit, additional profit, gains, capital gains, corporation, dividend, interest, financing, net worth, sales, transaction, payroll, import, export, customs, consul, inspection, value added, consumption, supply, use, turnover, severance, stumpage, cash flow, rental, land rental, surface rental, property, stamp, withholding and other taxes, duties, fees, levies, excises, rates, charges, imposts, surcharges, royalties and other Government imposed revenue payments of whatever nature and however called and whether paid to the Government or to any other Person at its directive or pursuant to Law.

“Term” means the term of this Agreement set forth in Section 3, as it may from time to time be extended in accordance with the provisions of this Agreement.

“Termination Notice” has the meaning given in Section 25.5(a).

“Third Party Company Claim” has the meaning given in Section 13.6(b)(i).

“Third Party Government Claim” has the meaning given in Section 20.1(a)(i).

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

“UNCITRAL Rules” means the arbitration rules of United Nations Commission on International Trade Law.

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

This Agreement shall be read with such changes in gender or number as the context shall require. Headings to the clauses and sections of this Agreement are inserted for convenience only and shall not affect its construction. Unless otherwise specifically provided for in this Agreement, all references in this Agreement to Law or to any specific laws or regulations of Liberia, including a specific section thereof, shall mean such laws, regulations and/or section, including any successor law, regulation and/or section to any law, regulation and/or section specifically cited in this Agreement as are at the time in effect. All references in this Agreement to Law shall include, with respect to any statute, any regulations promulgated thereunder. References to “Sections,”

“Appendices,” “Schedules” and “Exhibits” without other attribution are references to Sections, Appendices, Schedules and Exhibits forming part of this Agreement.

Unless otherwise stated, a reference to “hereof,” “hereunder,” “herein,” or words of similar meaning, means this Agreement. The words “and” and “or” will include the conjunctive and disjunctive, as the context may require or permit. The word “include” (and any variation of that word), without other qualification, means “including but not limited to.” The Government, the Company and, solely for the purpose of Sections 27 and 33.6 the Shareholder, have jointly participated in the negotiation and drafting of this Agreement and it shall not be construed against any party as the drafting party.

SECTION 2 EFFECTIVE DATE

This Agreement, after having first been signed on behalf of the parties as provided on the signature pages of this Agreement, shall become effective and be binding on them on the date (the “Effective Date”) on which the last of the following conditions have been satisfied: (i) attestation of this Agreement by the Minister of Justice, (ii) approval of this Agreement by the President of the Republic of Liberia, (iii) ratification of this Agreement by the National Legislature of the Republic of Liberia (the “Legislature”), and (iv) publication of this Agreement in handbills (at which point this Agreement shall take effect as Law), provided that under no circumstances will this Agreement become effective prior to the date upon which the Company and its Affiliates shall have cured:

- a. any and all arrears in payments to the Government;
- b. any and all defaults in reporting obligations and, to the reasonable satisfaction of the Ministry, the Ministry of Finance and the National Investment Commission, any and all other defaults; and
- c. any and all violations of Law,

in each case under, or relating to, all prior agreements with, or licenses or permits from, the Government creating Exploration rights in favor of the Company in the Exploration Area and arising on or prior to the last to occur of the events described in clauses (i) through (iv) of this sentence (“Outstanding Obligations”).

The Ministry and the Ministry of Finance shall provide the Company with a certificate signed by representatives of the Ministry of Finance and the Ministry certifying that the events described in clauses (i) through (iv) of the foregoing sentence have occurred. To the extent that there are any Outstanding Obligations on the date of the last to occur of the events described in clauses (i) through (iv) above, the Government shall notify the Company within ten Business Days of such date, giving details of the nature of any Outstanding Obligations and, if it relates to any arrears in payments, of the full amount payable by the Company and upon satisfaction by the Company of the relevant Outstanding Obligation notified to it in accordance with this Section 2, this Agreement shall come into effect and the Effective Date for the purposes of this Agreement shall be the date such Outstanding Obligation has been satisfied by the Company. If no notification is sent to the Company within ten Business Days of the date of the last to occur of the events described in clauses (i) through (iv) above, this Agreement shall come into effect on the tenth Business Day after such date which shall be the Effective Date for the purposes of this Agreement provided that failure to provide such notification by the Government shall not extinguish any payment obligations of the Company accruing prior to the Effective Date which shall be subject to Section 4.2(c).

SECTION 3 TERM OF THE AGREEMENT

The term of this Agreement commences on the Effective Date. The initial term of this Agreement is 25 years, subject to earlier termination as provided in this Agreement, and will be automatically extended to match any extension under Section 5.8(a) of the term of any Mining License.

SECTION 4 EXPLORATION LICENSE; INTERIM EXPLORATION RIGHTS; PRE-FEASIBILITY STUDY

4.1 Exploration Licenses.

The term of the Existing Exploration License (the "License Term" under the Exploration Regulations) is extended to and shall terminate on September 30, 2012 without any right to further extension under the Exploration Regulations or otherwise.

4.2 Interim Exploration Rights.

- a. Subject to the provisions of Section 4.2(c), each agreement listed on Schedule 3 attached hereto shall terminate on the Effective Date, provided, that, any exploration license arising out of such agreement shall survive until September 30, 2012 in accordance with Section 4.1.
- b. During the Exploration Period, the Company may continue Exploration within the Exploration Area in accordance with this Agreement. The Company shall conduct such Exploration in compliance with the Exploration Regulations, including Section 7 thereof, and this Agreement, notwithstanding any conflicting provisions of the Exploration License. Unless expressly otherwise provided in this Agreement, if there is a conflict between the terms of the Exploration Regulations and the terms of this Agreement, the terms of this Agreement shall control.
- c. Any payment obligations of the Company in favor of the Government that accrue under the terms of the Exploration License or any other agreement of the Company with the Government prior to the Effective Date shall continue to accrue until the Effective Date and shall continue to be paid on the earlier of their respective previously existing due dates and the day that is 30 days after the Effective Date. Any payment obligations of the Company that accrue under the terms of the Exploration Regulations shall continue to accrue in accordance therewith prior to and after the Effective Date except to the extent that this Agreement specifically provides that any such payments shall no longer accrue. Any payment obligations of the Company that accrue under the terms of this Agreement shall be deemed to accrue only from and after the Effective Date
- d. During the Exploration Period the Company may conduct only such Exploration as does not require the filing with or application to, or the obtaining of any consent, approval, license or permit from, the EPA unless such filing or application has duly occurred and any such consent, approval, license or permit has been duly obtained, provided that if EPA fails to act timely, the Minister upon notice by the Company of such failure may permit continued Exploration until such time as the EPA does act. A copy of each such consent, approval, license or permit obtained by the Company from the EPA shall be promptly filed with the Minister.
- e. No later than 120 days following the Effective Date, the Company shall provide the Government a project linkages plan which (i) identifies the potentials for local suppliers, contractors and service providers to service the Project, (ii) identifies key

interventions to grow the minerals input industrial sector, and (iii) sets out a project local purchase plan with clear milestones identified in terms of an increasing percentage of local purchases of goods and services, and providing for bidding preferences for local suppliers, contractors and service providers (provided that such Persons offer quality, terms, delivery, service, quantity and price at least comparable to those obtainable from other sources) (the “Exploration Period Project Linkages Plan”). The Company shall update the Exploration Period Project Linkages Plan once every 12 months during the Exploration Period.

4.3 Retained Production Areas.

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

4.4 Termination of Exploration Rights and Lapse of Exploration Area.

Except as provided in Section 5.1(d) with respect to Exploration conducted in a Proposed Production Area timely designated in compliance with the requirements of Sections 5.1(a) and 5.1(b), from and after the expiration of the Exploration Period the Company shall have no further rights under this Agreement or any prior agreement with or license or permit from the Government with respect to any portion of the Exploration Area other than that encompassed by Proposed Production Areas timely designated in compliance with the requirements of Sections 5.1(a) and 5.1(b) (such portion(s) in which the Company no longer has rights, the “Relinquished Area”). Unless otherwise permitted by the Government, the Company shall, within a reasonable period, but not to exceed 180 days after the expiration of the Exploration Period, cause the removal and proper disposal of any property used by the Company or any of its contractors that is located on the Relinquished Area.

4.5 Third Party Rights in the Exploration Area.

Following the grant of a Mining License pursuant to Section 5.3, if the Company discovers other Minerals within a Production Area the Company may apply for an amendment to its existing Mining License or for a new Mining License to cover the new Minerals in accordance with this Agreement and the Government shall not unreasonably withhold its approval of such amendment or grant of a new Mining License provided that the Company has submitted to the Government an amendment to the existing Feasibility Report or, at the Government’s discretion, a new Feasibility Report, for such other Minerals. The Company acknowledges that the Government may grant rights to one or more third parties to Explore for gold and other Minerals (but not, for the avoidance of doubt, Iron Ore) in the Exploration Area, subject to the Company and each such third party working in good faith to reach agreement with respect to the conduct of their respective activities in the Exploration Area. The Company agrees that it will engage in negotiations with any third party seeking such Exploration rights regarding the conduct of their respective activities in the Exploration Area and shall conduct such negotiations in good faith with the goal of reaching an agreement that is reasonably acceptable to the Company and such third party. The Company agrees that, if the Company and such third party fail to reach such an agreement, the Company will

submit to an independent dispute resolution process with such third party, which process shall be reasonable in light of the circumstances, including the financial resources of the third party. The Company acknowledges that the Government shall have no obligation to intervene on behalf of the Company in any dispute between the Company and such third party, whether in connection with such negotiations or otherwise, but may intervene to help resolve such dispute.

4.6 Pre-Feasibility Report.

The Company agrees that during the Exploration Period it will prepare, in good faith and in accordance with International Standards, a study in accordance with the requirements set forth below and in Schedule 4 attached hereto (the “Pre-Feasibility Report”). The Pre-Feasibility Report will include (i) preliminary engineering studies and financial analysis regarding the route selection, design, investment requirements and other relevant factors to permit the construction of the Railroad and the Port as described in Section 6.7, (ii) an evaluation of the feasibility, from technical and financial standpoints, of different power generation alternatives that will enable the Company to comply with its obligations under Section 19.3, and (iii) an evaluation, from technical and financial standpoints, of downstream processing alternatives, such evaluation to include pelletisation and iron-making. For the purposes hereof, “preliminary” means (i) with respect to any resource estimate that will comprise part of the Pre-Feasibility Report, the CRIRSCO Indicated Resource standard and (ii) with respect to all other engineering studies in the Pre-Feasibility Report, the Association for the Advancement of Cost Engineering Inc. (AACE) Class 3 estimate standards or equivalent, specifically accuracy range of $\pm 20\%$, with 5-15% of engineering completed, and 15-20% contingency. The Pre-Feasibility Report will be completed, and a copy thereof will be provided to the Government no later than September 30, 2012, it being understood the Pre-Feasibility Study will be provided for informational purposes only and not subject to approval by the Government. The parties shall discuss in good faith which of any of the power generation alternatives described in clause (ii) of the second sentence of this Section 4.6 indicated in the Pre-Feasibility Report as feasible will be evaluated further as part of the Feasibility Report and select one of such alternatives for such further evaluation.

SECTION 5 MINING LICENSES

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

- a. If the Company identifies potentially exploitable Iron Ore deposits in the Exploration Area of a type covered by its Exploration License with respect to such Exploration Area that constitute Indicated Mineral Resources, it may designate by notice to the Minister that all or one or more portions of the Exploration Area are proposed production areas (each, a “Proposed Production Area”). The Company may give more than one notice under this Section 5.1(a), provided that, except as permitted pursuant to Sections 5.1(i) and 5.2, no such notice may be given with respect to any portion of the Exploration Area at any time following the expiration of the License Term of the Exploration License. Each such notice shall set forth
 - i) the proposed boundaries of each Proposed Production Area covered by such notice,
 - ii) the nature, location and estimated quality of the Iron Ore constituting the Indicated Mineral Resource in such Proposed Production Area and

- iii) the form in which the Product(s) of the Iron Ore are expected to be marketed by the Company.

Each notice with respect to a Proposed Production Area shall be accompanied by (x) the report of a Competent Person setting forth his or her conclusion that the deposit(s) constitute Indicated Mineral Resources, and the basis for such conclusion, in the form required by the selected CRIRSCO Code for the public reporting of Mineral Resources, and setting forth the scope of any Iron Ore constituting Inferred Mineral Resources located within the Proposed Production Area, (y) an application for a Class A mining license, or an amendment to an application for a Class A mining license or an amendment to a Mining License, as the case may be, to permit the mining of such deposits in the form required by the Mining Law and such Regulations as are then in effect and (z) evidence of payment of the processing fee required by Section 16.1(a).

- b. Each Proposed Production Area (i) shall consist of such part of the Exploration Area as in the light of International Standards is reasonable, taking into account the extent and nature of the Iron Ore or other Mineral constituting Mineral Resources, for the mining and recovery of such Mineral Resources, including the Retained Production Areas, and (ii) shall form a compact block as much as possible, with the borders aligned to the true north-south and east-west. A Proposed Production Area may not include Land (i) located within the boundaries of any cities, commonwealth districts, municipal districts, cemeteries, transportation or communication facilities, aqueducts, military base, port, Poro or Sande grounds, and other grounds reserved for public purposes, except with the consent of the officials authorized to administer or control the affairs of such entities, and subject to such special terms and reasonable conditions as may be prescribed for the protection of surface users or (ii) as otherwise reasonably agreed by the parties.
- c. The Company shall submit to the Government within 60 days following the notice given under Section 5.1(a) detailed maps for each Proposed Production Area covered by such notice, based on actual surveys using the most current technology, that, with respect to a Proposed Production Area, set forth the boundaries and coordinates of the area containing the deposits from which Iron Ore is expected to be Mined. The maps shall be of such scale and contain such detail, including geographical and topographical information, (x) as may reasonably be necessary to identify accurately the boundaries of the Iron Ore constituting Indicated and Inferred Mineral Resources within such Proposed Production Area and (y) as may otherwise reasonably be required by the Liberian Geological Survey for the mapping of such Proposed Production Area.
- d. If the Company wishes to carry out additional Exploration within a Proposed Production Area it may do so provided that the work is covered by an exploration work program that has been approved under the terms of the Exploration Regulations. No budget or annual expenditure requirements apply to such work, but all other provisions of the Exploration Regulations as to the manner of carrying out such work and as to reporting the results of such work remain applicable.
- e. Unless the Company has complied with Sections 5.2(a) and (b) (implementing the “marginal deposit” provisions of Section 5.3(l) of the Mining Law), the Company shall file with the Minister with respect to a Proposed Production Area, no later than March 31, 2014

- i) a plan for the design, production and operation of efficient and economic Mining, processing, rail transport, port loading, shipping and marketing of Products from such Proposed Production Area prepared by an internationally recognized mine engineering consulting firm not affiliated with the Company or any of its principal direct or indirect shareholders (the “Feasibility Consultant”) substantially complying with Sections 5.4 through 5.6 (such plan, together with any and all amendments thereto, the “Feasibility Report”), and
- ii) an application for a Class A mining license, or an amendment to an application for a Class A mining license or an amendment to a Mining License, as the case may be, to permit the mining of such deposits in the form required by the Mining Law and such Regulations as are then in effect; and
- iii) a certificate of the chief executive officer of the Company dated the date of submission to the effect that (x) the Company has complied through the date of such certificate in all material respects with its obligations under this Agreement (except as to such defaults in the performance by the Company of any of such obligations that have been cured to the reasonable satisfaction of, or waived by, the Minister), and (y) the Company is prepared to develop the Mine, Mining Plant and Infrastructure in the manner set forth in the Feasibility Report (other than as may reasonably be required to respond to facts and circumstances not known to the Company at the time the Feasibility Report was filed), and setting forth the manner in which the Company proposes to finance the construction and acquisition of the Mine, the Mining Plant, the Infrastructure and the related equipment (including the proposed proximate and ultimate sources of such funds).

Except as otherwise provided in Section 5.1(i), the Company’s rights in any Proposed Production Area timely designated under and in compliance with the requirements of Section 5.1(a) and (b) expire if the Company does not timely file the maps required by Section 5.1(c) or does not timely file the Feasibility Report and related materials as provided in this Section 5.1(e) and in Section 5.1(f).

- f. The Feasibility Report required by Section 5.1(e) shall be accompanied by evidence of the payment by the Company of the processing fee required by Section 16.1(b).
- g. A single Feasibility Report shall be required and a single Mining License shall be issued covering all sites in the Proposed Production Areas declared under this Agreement and all operations conducted, and all facilities located, thereon shall be treated as a single “mining project” under the Revenue Code.
- h. [Intentionally omitted.]
- i. The Company may extend for a period of six months either but not both of
 - i) the time for designating Proposed Production Areas in compliance with Sections 5.1(a) and (b) or
 - ii) the time for filing the Feasibility Report and the related materials required by Sections 5.1(e) and (f)

by payment, at least 30 days prior to the expiration of the time period otherwise applicable, of the extension fee provided for in Section 16.1(c) or (d), respectively,

provided that the Company may not utilize for any Proposed Production Area both the postponement provided for in clause (ii) of this Section 5.1(i) and the postponement provided for in Section 5.2.

- j. If, as contemplated by Section 5.1(a), the Company has timely designated more than one Proposed Production Area within a single Exploration Area, but believes that development of one or more of such areas should be postponed as provided in Section 5.2, it may file a Feasibility Report with respect to the areas initially to be developed and postpone the filing of a Feasibility Report for the other areas by complying as to those areas with the provisions of Section 5.2.
- k. If the Company elects to develop one or more of the areas as to which development has been postponed as provided in Section 5.2, it shall timely file a new Feasibility Report encompassing its entire operation and otherwise complying with the requirements of this Agreement governing the filing and approval of Feasibility Reports. This requirement is to ensure that the financial and technical capacity of the Company and the environmental, social and other impacts of the proposed enlarged operation are considered in their entirety and not on a piecemeal basis. The new Feasibility Report shall reflect the actual state of facts as of its date with respect to the development contemplated by the original Feasibility Report, and may not merely incorporate the relevant provisions of the initial Feasibility Report. If the new Feasibility Report is filed before the original Feasibility Report is approved, it shall be deemed to replace the original Feasibility Report. If it is filed at a later date, it shall be deemed an amendment of the original Feasibility Report.

4.8 Postponement of Development.

- a. If the Company believes that the “marginal deposit” provisions of Section 5.3(l) of the Mining Law are applicable to the Iron Ore resources contained in a Proposed Production Area, and has not theretofore obtained an extension under clause (ii) of Section 5.1(i), it may apply to the Minister in accordance with Section 5.3(l) of the Mining Law within 12 months of the date of designation of such Proposed Production Area under Section 5.1(a) for postponement of the obligation to deliver a Feasibility Report, and related materials under Sections 5.1(e) and (f) for up to two years. The application shall be accompanied by
 - i) a certificate of a Competent Person to the effect that in his or her reasonable judgment sufficient information is available about the Mineral Resource involved to conclude that it is not exploitable under current technical and economic conditions, and the production from such deposit cannot reasonably be expected to be sold on commercially viable terms for a period of at least two years (plus a reasonable period for Mine and Mining Plant construction) from the date on which the Feasibility Report is otherwise required to be filed under Section 5.1(e), and
 - ii) a certificate of the chief executive officer of the Company to the effect that the Company has given the Competent Person referred to in clause (i) of this Section 5.2(a) all information available to the Company relating to a determination as to the scope and other characteristics of the Mineral Resources included in the such Proposed Production Area.
- b. The Minister shall approve the application unless the Company is at the time in default in the performance of its obligations under this Agreement in a material

respect. Any such delay period, if approved, will operate to extend the due date of the Feasibility Report to be filed under Section 5.1(e) for a period of two years from the date originally due under Section 5.1(e) or such lesser period of time as is requested by the Company.

- c. Not more than 180 and not less than 90 days prior to the end of the initial delay period, the Company may apply for a second delay period of up to two years upon complying in full with the requirements of Section 5.2(a) as though they were applicable by their terms to a second delay period.
- d. In order to retain its rights in a Proposed Production Area following an approval by the Minister of a delay period, the Company:
 - i) shall pay (in addition to the surface rent payable with respect to such Proposed Production Area as provided in Section 14 and Exhibit 3) an annual postponement fee for each year of the delay, as determined in Section 16.1(e), and
 - ii) shall file the Feasibility Report, and related materials required by Sections 5.1(e) and (f) applicable to such Proposed Production Area prior to the end of the delay period (or the second delay period, if applicable).
- e. All rights of the Company to such Proposed Production Area automatically terminate if a payment due under Section 5.2(d)(i) is not timely made, or if a Feasibility Report, and related materials complying with Sections 5.1(e) and (f) and applicable to such Proposed Production Area are not timely filed under Section 5.2(d)(ii).

4.9 Mining License.

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

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

If the Company elected to postpone in accordance with Section 5.2 the submission of a Feasibility Report, for one or more but less than all of such Proposed Production Areas as contemplated by Section 5.1(j), on approval of the amended Feasibility Report as contemplated by Section 5.1(k), the Minister shall amend the Mining License issued in

connection with the original Feasibility Report (if previously issued) if the foregoing clauses (b) through (d) have been complied with as applicable to the expanded project contemplated by the amended Feasibility Report.

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

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

4.10 Feasibility Report.

- a. The Feasibility Report for a Proposed Production Area shall comply with applicable Law and International Standards, shall include the basic technical and financial components described in this Section 5.4(a) and shall also include the additional components set forth in Sections 5.4(b) through (g):
 - i) a description of the Iron Ore to be Mined, the Mining and processing methods proposed to be used, and the quality of the Product(s) to be marketed;
 - ii) a statement of the expected Production rates for the Iron Ore to be Mined over the term of the Mining License and for the output of the expected Product(s);
 - iii) a report of a Competent Person setting forth his or her conclusion as to the amount of Iron Ore constituting the Proven Mineral Reserves and Probable Mineral Reserves in the Proposed Production Area, and the basis for such conclusion, and at the election of the Company, in the form required by the selected CRIRSCO Code for the public reporting of Mineral Resources;
 - iv) a development plan setting forth the basic design and operating specifications for each proposed Mine and related Mining Plant, Infrastructure and equipment (the "Development Plan"), which shall, among other things,
 - (1) implement the requirements of Sections 6.6, 6.7 and 19.3;
 - (2) include maps at the scale required by the Ministry setting forth the proposed location of each proposed Mine and related Mining Plant and Infrastructure, and any other activities or improvements described in Section 6.7(e) or 11.6 of the Mining Law and, in the case of each activity referred to in Section 6.7(e) or Section 11.6(c), (e) or (f) of the Mining Law, setting forth the capacity expected to be available for public utilization, provided that activities described in Section 11.6(a) or 11.6(b) of the Mining Law shall be limited to those reasonably necessary for the implementation of the Development Plan;
 - (3) include a capital development plan (in reasonable detail);

- (4) include the capacity demonstration measures required by clause (ix) of this Section 5.4(a);
 - (5) include a construction (or acquisition), completion and commencement of operations schedule for each proposed Mine and all related Mining Plant, Infrastructure and equipment proposed in the Development Plan providing, among other things, for completion of construction and acquisition no later than October 31, 2017 and commencement of production on November 1, 2017;
 - (6) include final engineering studies and financial analysis regarding the route selection, design, investment requirements and other relevant factors to permit the expansion of the Railroad and the Port as described in Section 6.7 (for the purposes hereof, “final” means AACE Class 2 estimates or equivalent, specifically $\pm 10\%$ accuracy, 30-35% of engineering completed, 10-15% contingency); and
 - (7) include a construction completion, and commencement of operations schedule for the power generation alternative selected by the parties pursuant to Section 4.5 (the “Power Plant”);
- v) a plan for Operations (an “Operations Plan”) that sets forth the Company’s plan for operating each proposed Mine and related Mining Plant, Infrastructure and equipment, including expected staffing requirements and implements the requirements of Sections 6.6 and 6.7,
 - vi) a plan for marketing and selling the Products (including projected principal customers and projected means of transporting Product(s) from Liberia to such customers) for the Mining Term,
 - vii) a project linkages plan as described in Section 5.4(e);
 - viii) a financing plan, setting forth the manner in which the Company proposes to fund the Development Plan and the methods the Company proposes to use to fund the EMP, the SIA and the SAP; and
 - ix) a program for capacity verification and testing to demonstrate that the principal components of each proposed Mine and related Mining Plant, Infrastructure and equipment have substantially the operating capacities set forth in the Development Plan, which shall demonstrate that the completed facilities have the capacity to perform as specified in the Feasibility Report.

If the Mine, Mining Plant and Infrastructure are designed so that any portion of the facilities for transporting ore to the port or the facilities at the port will be used for less than the entire output of the Mine, then the Feasibility Report shall include provision for comparable testing of such portions of such facilities based on their intended capacities. Thus, if the Feasibility Report and the Development Plan provide for a two-stage development, with transport and port facilities initially being sized for one Mine and are later to be expanded to provide for a second (or expanded) Mine, the capacity demonstration tests for the transport and port facilities shall be conducted once at the lower capacity levels and, upon completion of any expansion, at the higher capacity levels.

- b. The Feasibility Report shall include an Environmental Impact Assessment Study Report (“EIA”) and an Environmental Management Plan (“EMP”) complying with Section 5.5 and applicable Law, prepared by an internationally recognized independent environmental consultant not affiliated with the Company or any of its principle direct or indirect shareholders, as filed by the Company with and approved by the EPA.
- c. The Feasibility Report shall include a Social Impact Assessment (“SIA”) and Social Action Plan (“SAP”) complying with Section 5.6 and applicable Law.
- d. The Feasibility Report shall include (i) final engineering studies and financial analysis regarding the route selection, design, investment requirements and other relevant factors to permit the expansion of the Railroad and the Port as described in Section 6.7; (ii) if, in the good faith judgment of the Company, the Pre-Feasibility Report indicated that further evaluation of the feasibility of establishing a pelletisation plant is warranted, an evaluation, from technical and financial standpoints, of the feasibility of establishing a pelletisation plant and (iii) an evaluation, from technical and financial standpoints, of the feasibility of establishing any other downstream processing alternatives that the Company may elect in its sole discretion to evaluate;
- e. The Feasibility Report shall include a project linkages plan that (i) identifies the potentials for local suppliers, contractors and service providers to service the project, (ii) identifies key interventions to grow the minerals input industrial sector, and (iii) sets out a project local purchase plan with clear milestones identified in terms of an increasing percentage of local purchases of goods and services, and providing for bidding preferences for local suppliers, contractors and service providers (provided that such Persons offer quality, terms, delivery, service, quantity and price at least comparable to those obtainable from other sources);
- f. The Feasibility Report shall include a skills and technology development plan that contains an annual projection of the Company’s commitments to the development of local human resources and planned expenditure on research and development within Liberia and the region indicating how the Company proposes to discharge its obligations under Section 11, including detailed plans and programs for the recruitment and training of citizens of Liberia, including timetables and schedules, in connection with the construction and operation of the proposed Mines, Mining Plant and Infrastructure.
- g. The Feasibility Report shall include a confirmation from the Feasibility Consultant substantially to the effect that:
 - i) the Company has the design, procurement and construction management capacity necessary to implement the proposed Development Plan, or has identified contractors with which it will contract for the design, procurement and production of each proposed Mine and related Mining Plant, Infrastructure and equipment that have the capacity to carry out such activities;
 - ii) the Company has the management capacity to operate each proposed Mine and related Mining Plant, Infrastructure and equipment in accordance with the proposed Operations Plan;

- iii) each proposed Mine and related Mining Plant, as designed, will if constructed in accordance with the designs and maintained in accordance with good maintenance practices, support the planned operating levels of such Mine as set out in the Feasibility Report;
- iv) the Railroad, Port and Power Plant, as designed, will, if constructed in accordance with the designs and maintained in accordance with good operating practices, (A) support the transport and loadout of the projected production capacity of each proposed Mine for the term of this Agreement assuming each such proposed Mine and its related Mining Plant are operating at the design levels specified in the proposed Development Plan; (B) will have at least the excess capacity required by the terms of this Agreement and (C) will have such additional useful life following the termination of this Agreement as set forth in the proposed Development Plan;
- v) the geotechnical survey work done in connection with locating all proposed Mining Plant and Infrastructure is sufficient to support the conclusion that the sites of such proposed Mining Plant and Infrastructure are suitable for the construction and operation of those facilities;
- vi) the EIA done in connection with the proposed siting of, and the subsequent operations of, each proposed Mine and related Mining Plant, Infrastructure and equipment was conducted in a matter consistent with the World Bank “Environmental Health and Safety Guidelines for Mining” and otherwise complies with the requirements of Section 5.5;
- vii) the design of each proposed Mine and related Mining Plant, Infrastructure and equipment is in accordance with contemporary best practice for the design of mines and related facilities of similar size and type and is appropriate for the climate and geography of Liberia, and the Company has under license from the Government or has otherwise acquired rights to sufficient Land (x) to accommodate in an environmentally sound manner in accordance with International Standards and applicable Law all Mining Plant and Infrastructure expected to be necessary for the Mining and all proposed processing of Iron Ore in accordance with the proposed Development Plan, (y) reasonably to insulate surrounding areas in accordance with International Standards from possible adverse impacts of Operations, and (z) to provide for all activities proposed to be undertaken as part of its ongoing environmental protection plan;
- viii) the completion verification procedures set forth in Section 6.1 and the capacity demonstration procedures set forth in the proposed Development Plan are sufficient reasonably to demonstrate that each proposed Mine and all related Mining Plant and Infrastructure have been completed in accordance with the proposed Development Plan and can reasonably be expected to have the operating capacity specified in the proposed Development Plan;
- ix) the EMP, if implemented as proposed, will limit the likely amount of environmental damage to limits established in the World Bank “Environmental Health and Safety Guidelines for Mining”, the Company’s mine closing plan meets the standards established by World Bank “Environmental Health and Safety Guidelines for Mining” and the estimated

cost for such plan (valued in current dollars) is reasonable, and such plan otherwise complies with the requirements of Section 5.5; and

- x) the evaluations, studies and analyses referred to in clauses (6) through (9) of Section 5.4(a)(iv) fairly assesses the potential costs associated with, and where applicable, the potential benefits realizable from, the projects described therein.

If the Company's Feasibility Consultant is unwilling to provide a confirmation with respect to any matter set forth in any of the foregoing clauses of this Section 5.4(g), the Company shall arrange for such confirmation to be provided by a separate internationally recognized mining engineering or other firm with appropriate expertise not affiliated with the Company or any of its principal direct or indirect shareholders.

- h. Any amendment to a Feasibility Report shall result in such Feasibility Report, as so amended, complying with the requirements of Section 5.

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

- a. The EIA and the EMP shall comply with applicable requirements imposed by the EPA and with this Section 5.5. The EIA shall at a minimum identify pre-existing environmental conditions and set forth the potential adverse impact of the construction and operation of the Mining Plant and the Infrastructure proposed in the Feasibility Report shall take into account all activities or improvements to be undertaken by the Company and referred to in Section 6.7(d), 6.7(e) or 11.6 of the Mining Law, and shall otherwise comply with applicable Law. The EMP shall at a minimum set forth detailed plans consistent with the EIA for the mitigation of environmental harm attributable to, and the restoration or remediation of the environment to the extent affected by, the implementation of the Development Plan and subsequent Operations, including the actions to be taken by the Company to comply with Sections 8.1 through 8.3 of the Mining Law, International Standards and other applicable Law, and shall in any event comply with applicable EPA requirements and Section 5.5(b).
- b. The EMP shall include a closure management plan and a closure management budget for every five-year period (i.e. years 1 to 5, years 6-10, years 11 -15, years 16 - 20 and years 20 - 25) of the life of the Agreement (as it may be extended), designed to ensure that upon closure during any of these five-year periods (i) each proposed Mining Plant and Infrastructure shall not present any health or safety issues (including provision for the control of acid drainage and other long-term environmental hazards) and (ii) each Proposed Production Area and the surroundings of any Mining Plant or Infrastructure not located in such Proposed Production Area shall be restored to productive use or reforested or where restoration is impractical, suitably remediated. The closure management plan shall include a list and assessment of risk and any uncertainties associated with the preferred closure option, address the social aspects of closure and rehabilitation and provide a process, including a person or persons to whom inquiries can be directed on a ongoing basis and periodic public meetings, whereby the community and other stakeholders can notify the Company of any concerns they may have about the implementation of the closure management plan or the impact of any closure activities. The closure

management budget shall provide a realistic initial estimate of the expected closure cost, broken down by principal activities.

- c. The EMP shall also set forth the means by which the Company proposes to ensure the availability of funds to finance its environmental restoration and remediation obligations under Sections 8.2 and 8.3 of the Mining Law and under Section 13.1 (the “Environmental Restoration Obligations”) so that the costs of restoration remediation and closure will be borne by the Company and not the public or the Government. In connection with the foregoing, upon approval of the Feasibility Report, (i) the Company and the Government shall enter into an Environmental Restoration Obligations Funding Agreement or (ii) the Company shall provide the Government, as beneficiary, a funding guarantee from an Acceptable Third Party Financial Institution guaranteeing the Environmental Restoration Obligations (the “Environmental Restoration Obligations Guarantee”) for each five-year period of the closure management budget for the life of the Agreement (as it may be extended). For purposes of this Agreement, an “Environmental Restoration Obligations Funding Agreement” means an agreement between the Company and the Government that (i) requires the establishment of an escrow account with an Acceptable Third Party Financial Institution pursuant to an escrow agreement to be entered into among the Company, the Government and such Acceptable Third Party Financial Institution, (ii) requires the Company to fund such escrow account in advance of the applicable five-year period such that at all times such escrow account contains at minimum an amount equal to (x) the aggregate estimate for closure costs as set out in the agreed closure plan for the five-year period to which it applies and as contained in each approved EMP plus (y) 15% of the amount of clause (x), which amount shall be revised at least once every five years to reflect any updates to closure costs set forth in any updated EMP (it being understood that the Company shall have 60 days from the date of any such update to fund any additional amount required to be held in such account), (iii) provides that the amount in such escrow account shall be utilized solely for payment of the Environmental Restoration Obligations, and (iv) be upon such other terms and conditions (including the terms of such escrow agreement) as are reasonably acceptable to the Company, the Minister and the Minister of Finance. The Environmental Restoration Obligations Guarantee shall (i) be for an amount equal to (x) the aggregate estimate for closure costs as set out in the agreed closure plan contained in each approved EMP plus (y) 15% of the amount of clause (x), which amount shall be revised to reflect any updates to closure costs set forth in any updated EMP and such guarantee shall be amended accordingly within 60 days following such revision, (ii) provide that if the party supplying such guarantee no longer is an Acceptable Third Party Financial Institution, and if the Company does not within 120 days thereafter secure a substitute funding guarantee from another third party financial institution that is an Acceptable Third Party Financial Institution, such guarantee may be called upon for the maximum amount then available thereunder, subject to the requirement that such amount be deposited in a trust account from which it may be withdrawn only for the purposes of financing the Environmental Restoration Obligations and (iii) have such other terms and conditions as are reasonably satisfactory to the Minister and the Minister of Finance. The Company acknowledges that neither the amounts held in escrow pursuant to an Environmental Restoration Obligations Funding Agreement nor the amount of any Environmental Restoration Obligations Guarantee shall be deemed to represent a cap on the Company’s Environmental Restoration Obligations.
- d. The Company shall have held public hearings on the EIA and the EMP at least in Monrovia, in the county seat of each county in which a Proposed Production Area is

located and in the county seat of each county in which the Railroad, Port, Power Plant or any road described in Section 6.6 is located or to be located, and shall have included as part of the Feasibility Report a statement of the means taken to publicize the hearings, an indication of the numbers of persons who attended such hearings and their affiliates, a summary of the issues raised at such hearings, and a discussion of the actions taken by the Company in response to such hearings. The Ministry may set forth by regulation additional standards consistent with accepted practice in OECD countries for the location of, notification of and conduct of such hearings.

4.12 Social Impact Assessment and Social Action Plan.

- a. The SIA shall set forth the potential adverse impact of the construction and operation of each proposed Mine, and the related Mining Plant and Infrastructure on the individuals and communities resident in and around (i) each Proposed Production Area and any Mining Plant or Infrastructure not located within a Proposed Production Area, or (ii) areas affected by the proposed processing or transport of Product whether using Company-provided Infrastructure or equipment or facilities or equipment provided by the Government or third parties.
- b. The SAP shall set forth reasonable measures, in light of the costs involved, for the mitigation of the adverse impact referred to in Section 5.6(a) above, as well as making provision for the continuing economic and social viability of centers of population that have formed and which may form as a result of Operations during the term of this Agreement. The SAP shall include a Resettlement Action Plan (“RAP”) component if communes located in or adjacent to each Proposed Production Area or to Mining Plant or Infrastructure not located in the Proposed Production Area should under International Standards be resettled for health or safety reasons. The RAP shall provide for (but not be limited to) suitable area(s) of resettlement to be undertaken at Company expense with key emphasis on shelter and livelihood continuity.
- c. The Company shall have held public hearings on the SIA and the SAP at least in Monrovia, in the county seat of each county in which a Proposed Production Area is located and in the county seat of each county in which the Railroad, Port, Power Plant or any road described in Section 6.6 is located or to be located, and shall include as part of the Feasibility Report a statement of the means taken to publicize the hearings, an indication of the numbers of persons who attended such hearings and, to the extent known to the Company, the names of the organizations such persons represent, a summary of the issues raised at such hearings, and a discussion of the actions taken by the Company in response to such hearings. The Ministry may set forth by regulation additional standards consistent with accepted practice in OECD countries for the location of, notification of and conduct of such hearings, and may establish generally applicable requirements for third party review of the SIA and the SAP comparable to the technical review of the Development Plan and Operations Plan undertaken by the Feasibility Consultant.

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

- a. The Minister may, within 90 days of receipt of the Feasibility Report (the “Review Period”), (i) appoint independent consultants and/or bankers, at the Government’s own cost, to assist in its review of the Feasibility Report, (ii) reasonably request additional information with respect to any aspect of the Feasibility Report necessary to satisfy applicable requirements of this Agreement and upon the provision of such

additional information by the Company, the Review Period shall recommence unless otherwise agreed with the Minister, and (iii) recommend reasonable changes in any component of the Development Plan to the extent the Minister deems the changes necessary to satisfy applicable Law on the requirements of this Agreement. In the absence of notice from the Minister that the Feasibility Report is incomplete, the Feasibility Report shall be deemed to be complete as to form and content at the end of the Review Period.

- b. Unless the Government has notified the Company that (i) the design or Operation of each proposed Mine and related Mining Plant, Infrastructure and equipment in accordance with the Development Plan would violate any provision of applicable Law or (ii) the Company is in default in any material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement) which have not been cured to the reasonable satisfaction of, or waived by, the Government, and provided that immediately following the issue of a Class A mining license pursuant to Section 5.7(g) the Company shall comply with Section 20.4, the Minister shall approve the Feasibility Report, or the Feasibility Report as amended, as the case may be, if:
- i) the Feasibility Report and its specific components comply with the provisions of the Mining Law and the terms of this Agreement;
 - ii) the EPA has approved the EMP and the EIA as complying with the requirements of this Agreement, International Standards and applicable Law, and
 - iii) each of the EMP, the EIA, the SIA, the SAP, the Project Linkages Plan and the Skills and Technology Development Plan have been generally made available to the public for at least 60 days prior to the date of approval of the Feasibility Report, including by way of (A) posting thereof on-line on a Government provided website, (B) making available copies thereof for examination at the relevant ministries during normal business hours, (C) publishing notice of such posting and availability in one or more newspapers of wide circulation in Monrovia and (D) publishing a summary thereof in one or more of such newspapers provided that to the extent the Government does not effect (A) or (B) above within 45 days of being provided the relevant documents by the Company for such purpose, the Company shall not be required to have complied with those provisions.
 - iv) the capital expenditure plan shows that the Company's debt/equity ratio taking into account initial working capital at the commencement of regular commercial operations shall not exceed 3:1,
 - v) the Company has provided an opinion of an internationally recognized investment banking firm to the effect that it has reviewed the Company's plan to finance the construction, equipping, start-up and entry into commercial production of each proposed Mine and all related Mining Plant and Infrastructure, and that, in its professional judgment, it is reasonable to conclude that the Company has available to it the financial resources necessary to carry out all such activities in keeping with the schedule and other terms of the Feasibility Report, the Feasibility Report as amended, as the case may be, and this Agreement (such report to specify the bases for its conclusion), provided that to the extent the conclusion of such investment

banking firm is based on funding to be provided by or through the Company's shareholders or their related Persons, such shareholders or related Persons shall have agreed with the Government to be jointly and severally liable to provide funding to the Company, and

- vi) Section 6.8 of this Agreement has been amended to reflect all modifications thereof reasonably requested by the Government so that the reporting obligations set forth therein are appropriately tailored to the specific type of Mine(s) covered by the Development Plan .
- c. Any failure by the Government to give notice to the Company in accordance with Section 5.7(b) shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.
- d. The Minister shall be deemed to have approved the Feasibility Report unless the Minister has notified the Company in writing of the reasons for disapproval not later than 30 days after the end of the Review Period. Following any such disapproval and the resubmission by the Company of an amended, modified or supplemented application for a Class A mining license or Feasibility Report, the Minister shall be deemed to have approved the Feasibility Report unless within 60 days of such amendment, modification or supplement the Minister has notified the Company in writing of the reasons for disapproval.
- e. In the event the Minister has given the Company timely notice of its disapproval of the Feasibility Report (a "Disapproval Notice," and such disapproved Feasibility Report, a "Disapproved Feasibility Report"), the Company and the Ministry shall discuss in good faith (i) what, if any, amendments, modifications or supplements to the Disapproved Feasibility Report would make the Feasibility Report acceptable to the Ministry and (ii) what would constitute a reasonable period of time for the Company to submit to the Ministry for approval a Feasibility Report as so amended, modified or supplemented. In the event that the parties fail to reach agreement with respect to the matters described in the foregoing sentence within 180 days of the date of the Disapproval Notice the parties shall jointly appoint an expert who is a mining industry professional with substantial working experience in the conduct of feasibility or related studies who shall determine: (i) what, if any, amendments, modifications or supplements to the Disapproved Feasibility Report should be made such that the amended Feasibility Report should be approved pursuant to this Agreement; and (ii) what would constitute a reasonable period of time for the Company to submit to the Ministry for approval a Feasibility Report as so amended, modified or supplemented.
- f. If the Company fails to submit to the Ministry for approval an amended, modified or supplemented Feasibility Report within the time period (i) agreed by the parties or (ii) determined by the expert in accordance with Section 5.7(e) (to the extent the expert determines that such amendment, modification or supplement to the Disapproved Feasibility Report is required), all rights of the Company to the Proposed Production Areas covered by the Disapproved Feasibility Report shall automatically terminate and all right, title and interest in the Disapproved Feasibility Report shall automatically vest in the Government subject to the Company continuing to be able to use such information in connection with other projects in

Liberia. The provisions of Section 5.7(e) or (f) do not impose any obligation upon the Minister to approve any amended, modified or supplemented Feasibility Report, it being understood that all requirements of this Section 5.7 shall apply thereto.

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

4.14 Term of Mining Licenses.

- a. The term of any Mining License granted to the Company under this Agreement shall commence on the date such license is issued and shall end on the earlier of (i) the date the Mining License is relinquished pursuant to Section 5.8(c) or (ii) the date the Mining License is terminated pursuant to Section 25 (the “Mining Term”). The Company is entitled to renew any Mining License for consecutive additional terms not to exceed 25 years each if the Company has complied with all of its payment obligations under this Agreement and under the Revenue Code, and the Government has not notified the Company that it is in default in any material respect with its other obligations under this Agreement or the Mining Law, other than any defaults which have been waived by, or cured to the reasonable satisfaction of, the Government, if:
- i) the Company demonstrates that there continues to exist in one or more approved Production Areas Proven Mineral Reserves of Iron Ore in sufficient quantities to support continued mining for at least 80% of the renewal term requested by the Company (assuming no interruptions to production),
 - ii) if the continued operations will involve significant additional investment or significant changes in production processes (*i.e.* a fundamental change in the technology or operation of any major component of its Operations) the Company has delivered an updated Feasibility Report setting forth the Company’s development and operations plans for the extended term and which otherwise complies with the requirements of Section 5.4 through Section 5.6, and
 - iii) the Company satisfies such other conditions as are required by applicable Law.

The Company may apply for renewal of a Mining License not more than three years and not less than one year prior to the date of expiration of the current Mining License.

- b. Any failure by the Government to give notice to the Company in accordance with Section 5.8(a) shall not affect the Government’s rights and remedies under this

Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Mining Law (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.

- c. At any time following the issuance of the Mining License, the Company may file a request with the Government to relinquish the Mining License as of a date specified therein. Such request shall be filed at least 180 days prior to the desired relinquishment date and shall include the Company's confirmation of its obligation to, and willingness to carry out, the approved closure management plan applicable to the Operations carried out under the Mining License and payment of the processing fee described in Section 16.1(g). The Government shall approve such request if
- i) on or prior to the date of such notice and on or prior to the date of the issuance of the Government's response to such request, the Government shall not have notified the Company that the Company is in default in any material respect in the performance of its obligations or the discharge of its liabilities under this Agreement, which defaults have not been cured to the reasonable satisfaction of, or waived by, the Government, and
 - ii) the Minister, the Minister of Finance and the head of the EPA have reasonably determined that the arrangements made by the Company for funding the performance of its approved closure management plan are sufficient to secure such performance, and
 - iii) the Environmental Restoration Obligations Guarantee (if applicable) has not been revoked and the guarantor thereunder remains an Acceptable Third Party Financial Institution.

The Government shall notify the Company of its decision no later than 120 days following the date of filing of such request. If the Government grants such request, the Mining License shall be relinquished as of the date requested by the Company, provided, that, on such date, there is no payment default and no other material default unwaived by the Government in the performance by the Company of its obligations under this Agreement. Upon relinquishment of the Mining License this Agreement shall terminate and all provisions hereof relating to termination, including Section 26, shall apply.

- d. Notwithstanding the relinquishment of a Mining License pursuant to Section 5.8(c), the Company shall remain liable to the Government for all obligations and liabilities that accrued prior to the date set as the effective date of relinquishment and have not been waived by the Government. Upon relinquishment of a Mining License, all right, title and interest in the Feasibility Reports or portions thereof covered by such Mining License shall automatically vest in the Government subject to the Company continuing to be able to use such information in connection with other projects in Liberia.

4.15 Additional Capital Investment or Material Changes in Operations.

If the Company proposes additional investment relating to changes in Mine operating technology or procedures, which investment exceeds 25% of the investment amount provided for in the initial Feasibility Report, and which investment constitutes a fundamental change in the technology or operation of any major component of its

Operations or a substantial expansion of the output of the Mine, it may not make such investment until it has delivered and the Minister has approved in the manner provided in Section 5.7 an updated Feasibility Report setting forth the Company's development and operations plans and otherwise complying with the requirements of Section 5.4 through Section 5.6. If the Company proposes to make substantial changes in its methods of Operations that would materially affect employment or could materially affect the environment or the social structures of the communities in the area affected by such changes, it may not do so until it has updated its EIA, EMP, SIA and SMP, and the plans referred to in Sections 5.4(e) and 5.4(f) to reflect the consequences of such proposed changes, such plans have been made available for public comment for at least 60 days in the manner required by clause (iv) of Section 5.7(b), and the Minister (the EPA in the case of the EIA and the EMP) has approved such plans, such approvals not to be unreasonably withheld or delayed.

SECTION 5 CONSTRUCTION AND OPERATIONS

5.1 Capital Expenditures; Construction.

- a. Upon the issuance to the Company of a Mining License pursuant to Section 5, the Company shall incur capital expenditures and commence, continue and cause to be completed construction, acquisition and installation of each proposed Mine and all related Mining Plant, Infrastructure and equipment, all in accordance in all material respects with the schedule set forth in the Development Plan contained in the approved Feasibility Report relating to such Mining License, and shall cause the capacity demonstration tests provided for in Section 6.2 to occur within the period of time provided in Section 6.2. The Company may not make material changes in the Development Plan unless it applies for and receives the approval of the Minister to appropriate amendments to such plans, and to the extent applicable, the Feasibility Report and the related plans, reports and studies provided for in Sections 5.4 through 5.6, which approval shall not be unreasonably withheld. Any such application shall be accompanied by the processing fee required by Section 16.1(f) or (g), as applicable.
- b. Prior to undertaking any required first stage capacity demonstration test set forth in Section 6.2, the Company shall deliver to the Minister:
 - i) a certificate of the Feasibility Consultant to the effect that
 - (A) such firm has reviewed the approved Feasibility Report, the Development Plan and the records of the Company pertaining to the construction, acquisition and installation of the installations, plant and equipment covered by such capacity test and has inspected the same, and
 - (B) based on such review and inspection such firm believes that the construction, acquisition and installation of such installations, plant and equipment have been completed in accordance in all material respects with the designs, plans and specifications contained in the Development Plan or otherwise forming the basis of the approved Feasibility Report (except to the extent not scheduled for completion until after the commencement of production of marketable Iron Ore in the commercial volumes contemplated by the Feasibility Report), and

- ii) a certificate of the chief executive officer of the Company to the effect that the construction, acquisition and installation of such installations, plant and equipment have been completed in accordance in all material respects with the designs, plans and specifications contained in the Development Plan or otherwise forming the basis of the approved Feasibility Report (except to the extent any portion thereof is not scheduled for completion until after the commencement of production of marketable Iron Ore in the commercial volumes contemplated by the Feasibility Report).
- c. Prior to undertaking any second stage capacity demonstration tests set forth in Section 6.2, the Company shall deliver to the Minister:
 - i) a certificate of the Feasibility Consultant to the effect that
 - (A) such firm has reviewed the approved Feasibility Report, the Development Plan and the records of the Company pertaining to the construction, acquisition and installation of all Mines and all related Mining Plant, Infrastructure and equipment provided for in the approved Feasibility Report and has inspected the same, and
 - (B) based on such review and inspection such firm believes that the construction, acquisition and installation of all Mines and all related Mining Plant, Infrastructure and equipment have been completed in accordance in all material respects with the designs, plans and specifications forming the basis of the approved Feasibility Report, and
 - ii) a certificate of the chief executive officer of the Company to the effect that the construction, acquisition and installation of all Mines and all Mining Plant, Infrastructure and equipment have been completed in accordance in all material respects with the designs, plans and specifications forming the basis of the approved Feasibility Report.

5.2 Completion.

- a. With respect to each proposed Mine, within 180 days of the scheduled completion date thereof set forth in the Development Plan (subject to delay on account of force majeure), the Company shall demonstrate, through performance of the proposed capacity demonstration testing program set forth in the Feasibility Study, that the Mine and all related Mining Plant, Infrastructure and equipment have substantially the operating capacities set forth in the Development Plan. As noted in Section 5.4(a), required extended capacity demonstration covering major components of the Mine, Mining Plant and Infrastructure may be conducted separately. Thus, if the Feasibility Report and the Development Plan call for a two-stage development, with the initial stage being completion of a Mine, with the initial Iron Ore processing facilities and railroad and port facilities tailored to the capacity of that Mine, followed by a second stage encompassing the development of a second (or expanded) Mine and upgrade of the Iron Ore processing facilities, railroad and port, each capacity demonstration test for the first stage Mine, Mining Plant, Infrastructure and equipment shall be completed within 180 days of the stage one scheduled completion date for the components covered by that test, and each capacity demonstration test for the second stage shall be completed within 180 days of the stage two scheduled completion date for the components covered by that test.

- b. The Company shall give the Ministry notice of, and the opportunity to have representatives witness, all testing required by the Development Plan and shall evidence the satisfaction of each component of the required capacity demonstrations by the timely delivery to the Minister of a certificate of the Feasibility Consultant to the effect that the Company has successfully completed such component of the capacity demonstration program and has demonstrated the capacities required by such component (setting out the requirements and time period covered by the demonstrations and certifying specifically as to the actual results of the demonstrations).
- c. The Company shall pay minimum Royalties under this Agreement based on the greater of actual Iron Ore shipments and assumed shipments equal to 80% of design capacity as set forth in the approved Feasibility Report from the outside day set forth in the first sentence of Section 6.2(a) for the capacity demonstrations required by Section 5.4(a)(ix) until the date on which such capacity demonstrations have been certified as required by this Section 6.2. So long as the Company complies with the preceding sentence there are no other consequences for the failure of the Company to satisfy the capacity demonstration requirements.

5.3 Mining Term Operations.

- a. All Mining, processing or treatment of Iron Ore by the Company shall be conducted in accordance with International Standards and applicable Law. The Company undertakes to use all reasonable efforts in accordance with such standards and law to maintain the production of marketable Iron Ore of the quality and in the quantity contemplated by the Feasibility Report, provided it is economically and technically feasible to do so.
- b. The Company may not undertake any activity referred to in Section 6.7 or Section 11.6 of the Mining Law except to the extent expressly covered in the in the Company's EIA and approved in the context of the Company's EMP and, then only within a Production Area or an area in which the Company is otherwise entitled by Law and by agreement with any relevant Landowner to carry on such activities. The preceding sentence does not authorize the Company to take any action that would violate Section 10.1 of the Mining law. The Company may not transfer to any Person timber removed from the Land pursuant to Section 6.7(d)(4) or 11.6(a) of the Mining Law without the consent of the Forestry Development Authority. The Company shall not deprive any Person of a constant and reasonable supply of usable water from or pollute a previously utilized traditional source without providing an alternative source of substantially the same quality and quantity, nor shall the Company, without the Minister's consent and at least 30 days prior notice to the affected community, interfere with any water rights enjoyed by any user under any agreement with the Government made prior to the date of execution of this Agreement. Use of water will be subject to charges as provided in applicable Law or in the absence of applicable Law, as provided in Section 16.6.
- c. The Company shall cause all Mines, Mining Plant, Infrastructure and equipment constructed, renovated or acquired by it to be maintained throughout the Mining Term in a safe and sound condition in accordance with International Standards and the requirements of insurers.
- d. The Company shall construct and operate all Mines, Mining Plant, and Infrastructure and equipment in accordance with the Development Plan and the Operations Plan set

forth in the approved Feasibility Report. The Company may not make material changes in the Development Plan or the Operations Plan unless it applies for and receives the approval of the Minister, which approval may not be unreasonably withheld, to appropriate amendments to such plans, and to the extent applicable, the Feasibility Report and the related plans, reports and studies provided for in Sections 5.4 through 5.6. Any such application shall be accompanied by the processing fee required by Section 16.1(f) or (g), as applicable.

- e. In the event of any loss or damage to (i) the property of the Company, including any property leased or deemed to be leased from the Government or a third party (ii) any property used in Operations title to which is retained by the Government or shall automatically revert to the Government upon termination of this Agreement or (iii) any property which constitutes social infrastructure (e.g., schools or medical facilities) which is constructed by, or on behalf of, the Company, the Company shall promptly proceed to restore such property:
 - i) in the case of property described in the foregoing clause (i) or (ii), to the extent necessary to begin or resume Operations as contemplated by the Feasibility Report, and
 - ii) in the case of property described in the foregoing clause (iii), to the extent necessary to allow the Company to fulfill its obligations under this Agreement for which such property is utilized.
- f. The Company may contract the operation of all or any portion of a completed Mine, Mining Plant or Infrastructure to any Person organized under the Laws of Liberia who has the technical expertise and financial ability to conduct such operation and who is not a shareholder of the Company or an Affiliate of a shareholder of the Company. If the Company contracts any operation in accordance with the foregoing sentence, the Company is responsible to the Government for the compliance by such third party with all requirements of this Agreement applicable to the operations undertaken by such contractor as though such operations were undertaken by the Company. The percentage requirements of Section 11.1(a) shall apply to the operations of any such contractor(s). Material operating contracts shall be disclosed in each annual operating report of the Company under Section 6.8(e).

5.4 Recovery Shortfalls.

- a. If in the reasonable opinion of the Government, the Company is failing without good cause to produce, transport and ship marketable Iron Ore at not less than 80% of the rate indicated in the approved Feasibility Report, it may give notice in writing to the Company. Within three months of the receipt of this notice the Company shall
 - i) commence work to improve its operations to the reasonable satisfaction of the Government, provided that the Company shall in no event be obliged to conduct Mining, processing or treatment activities otherwise than is economically and technically feasible at the time, and
 - ii) submit to the Government evidence that the steps it is taking will lead to compliance with Section 6.3(a).
- b. If the Government remains unsatisfied with the Company's response to such notice, the Government may commission an independent technical study to determine a fair

average recovery and/or shipment rate taking into account the nature of the reserves then being mined, the nature of the Mines, Mining Plant, Infrastructure and other equipment (assuming they are of the design and quality set forth in the Feasibility Report and have been prudently maintained and operated), and the economic and technical feasibility of achieving increased recovery and/or shipment of Product(s) by the Company in accordance with the standards set forth in Section 6.3(a). Such study shall be carried out by an internationally recognized independent mining engineering consultant appointed by the Government from a list of three such consultants, none of whom shall be affiliated with the Company or any of its principal direct or indirect shareholders named by the Company on the request of the Government. Each of the Government and the Company may submit information to the consultant. The fees and expenses of such consultant shall be borne by the Company, but unless the consultant concludes the performance of the Company's Production is at least 10% less than the fair average recovery rate referred to in the first sentence of this Section 6.4(b), the Company shall be entitled to offset the fees and expenses of such consultant against Royalties subsequently payable by the Company under Section 15.1 of this Agreement.

- c. If following the completion of such study, the Company fails within a reasonable period to achieve the fair average recovery rate indicated by such study, the Government may increase the Royalty applicable to such Products under Section 15.1 in proportion to the extent that recovery of such Products by the Company is less than 90% of the fair average rate indicated by such studies. But at no time shall the payment of such increased Royalty free the Company from its obligation to satisfy Section 6.3(a).
- d. In no event shall recovery shortfalls caused by a suspension order incorrectly given in accordance with Section 24 hereof shall fall within the scope of this Section 6.4(d) and shall not give any rights to the Government in accordance with this Section 6.4(d).

5.5 Increasing Liberia-Based Value-Added Production Capacity.

- a. At any time if the Company wishes to establish its own beneficiation, pelletisation, refining, manufacturing or other downstream processing facility in Liberia, it may do so pursuant to applicable Law, provided that any such facilities shall be deemed additional Mining Plant to be incorporated in an amended Feasibility Report satisfying the requirements of Section 5.
- b. If at any time during the Term the Company shall undertake, or engage any third party to undertake, the preparation of any study or evaluation by or on behalf the Company with respect to the establishment of beneficiation, pelletisation, refining, manufacturing or other downstream processing facility, which study or evaluation is not included in the Pre-Feasibility Report or the Feasibility Report, the Company shall promptly notify the Government of same, and shall also notify the Government of the completion of such study promptly following same. If the Company fails to notify the Government of its interest in establishing such a facility within 90 days of its receipt of a copy such study or evaluation, it shall be deemed to have declined to establish such a facility and shall provide the Government with a complete copy of such study or evaluation and the Government shall be entitled to utilize such study or evaluation for any purpose, including the establishment of such a facility itself (directly or with partners) or to permit third parties to utilize such study or evaluation

to solicit third parties to establish such a facility and, as between it and the Company, shall retain all right, title and interest therein .

- c. In the event that pelletisation facilities are proposed to be established in Liberia by an entity other than an Affiliate of the Company for the further processing of Products of the type produced by the Company, the Company shall agree to make its Product(s) available to that entity for further processing on conditions not less favorable than the conditions that can be obtained by the Company for sale of such products outside of Liberia “FOB the Company” based upon the point of sale being the Port, provided, that the Company shall not be obligated hereunder to commit more than 10% of its annual production of any Product to any such third party or third parties in aggregate. This obligation of the Company is subject and subordinate to any pelletisation contracts with third parties entered into by the Company prior to the Company’s receipt of a request to commit Product(s) to such facilities, but in the case of any such contract, only for such period of time as the Company has no right to terminate (or to decline to renew or extend) such contract.

5.6 Concerning Road Renovations.

The Company will build a two-lane paved all-weather road between Greenville and Zwedru for general public use with capacity for handling heavy traffic (the “Road”). In June 2011 the Company will begin preliminary work on the Road, including a feasibility study (which shall include route, design and construction specifications, completion milestones and such other provisions reasonably required by the Ministry of Public Works), survey, and completion of the tender process for construction. The Ministry of Public Works will set forth the standards for the design, construction and paving of the Road, which standards shall be consistent with International Highway Standards. Construction of the Road shall begin no later than June 2013. The Road shall be completed to the satisfaction of the Ministry of Public Works as soon as possible thereafter, but in any case no later than June 2017. Completion and conformity of the Road with agreed standards shall be certified by an internationally recognized road engineering consulting firm.

5.7 Concerning Railroad and Port Construction and Operations.

- a. The Development Plan shall provide for the construction by the Company or another entity that is mutually acceptable to the Company and the Government of a railroad (the “Railroad”) from the mine to a port location to be agreed between the Company and the Government (the “Port”) with the capacity to move from the Mine to the Port on a continuing basis the maximum sustained output of Products contemplated by the Feasibility Report. The Railroad shall be designed so that it can be expanded on a commercially feasible basis to carry on a continuing basis twice as much traffic as is contemplated by the preceding sentence but the Company shall not be under any obligation to build such additional capacity except as it may elect pursuant to Section 6.7(k). Subject to Section 6.7(k), the Government or any third-party may elect to have the capacity of the Railroad expanded to service the requirements of the Government or such third-party, the costs of such expansion to be borne by the Government or such third party, as applicable.
- b. In accordance with applicable Law and only with the Government’s prior approval, the Company may, but is under no obligation to, make provision for additional passenger service or the transportation of non-bulk cargo on the Railroad, or to permit a third party to operate passenger and non-bulk services on the Railroad.

- c. If the Government or one or more third parties wish to use the Railroad to move bulk cargo, the Company shall permit such usage subject to the negotiation by the Company and the Government or such third party of commercially reasonable rates for such usage. The costs of all required additions to rolling stock and motive power to accommodate such usage shall be borne by the Government or such third party, as applicable. If accommodation of the requested additional usage would materially adversely affect the ability of the Company to move Iron Ore to the Port or handle Iron Ore trains at the Port, the Government or such third party shall bear the cost of the additional investment needed to enhance the Railroad to avoid such material adverse effect.
- d. If the Government or one or more third parties wish to use the Railroad to carry bulk cargo, the Company may continue to operate the Railroad itself and carry out the operation of all trains on the Railroad, or the Company may transfer operational responsibility for the Railroad to an operating company owned by the Company and each other entity that has contributed to the capital investment (exclusive of motive power and rolling stock) in the railway, and such operating company may either operate the Railroad and all trains, or may be responsible solely for the operation and maintenance of the fixed rail facilities and allow all persons that meet non-discriminatory operating standards to operate their own bulk cargo trains on the fixed rail facilities. Whether the operator is the Company or such new operating company, the Railroad shall be operated in a way that does not discriminate against the shipments of any Person.
- e. The Development Plan also shall provide for the construction by the Company of the Port, with the capacity to allow for limited general petroleum-handling and general cargo and container berthing spacing, as well as specialized bulk facilities required by the Company's business. The Port shall be designed and constructed such that it can be expanded on a commercially feasible basis to handle twice as much capacity as is contemplated by the preceding sentence. Such expansion capacity shall include the possible construction of an additional 50 meters on the Iron Ore jetty and the driving of iron ore jetty piles at least 5 meters deeper. The Port basin shall be designed to facilitate further large scale development consistent with any expansion of the railroad (e.g., lengthening of primary wharf, room for addition of additional wharf, or adequate protected anchorage).
- f. The Company shall provide general Port operations services to third parties with respect to up to 1 million metric tons of traffic per year. The land side of the port shall be designed to facilitate future expansion and public or third party access to general petroleum product and general cargo storage and handling facilities. Any charges for handling of third party products through Company facilities shall be reasonable and shall reflect marginal costs of such handling; the Company shall not charge the full facility average cost. Any such third party products shall be handled on a non-discriminatory basis.
- g. The Company shall have input over access to the commercial piers to ensure non-interference with access to the Iron Ore jetty, and the Port shall be constructed with a separate jetty for general cargo and containers, with associated storage and transfer facilities, subject to third party use of this jetty being limited to 1 million tones / year. The Company agrees to build platforms for adequate warehousing facilities for third party commercial users, however any arrangement by which the Company shall construct such warehousing facilities shall be the subject of a separate agreement.

- h. The Government shall retain legal title to the Port and shall receive title to any fixed assets of the Railroad and the Port as built, while the Company shall have priority rights to possession, control and use of such assets (subject to the terms and conditions of this Agreement, including those with respect to the rights of third parties to utilize such assets). Immediately upon the expiration of the Term or earlier termination of this Agreement, all rights of possession, control and use shall revert to the Government. Following the filing of the Feasibility Report the parties shall enter into good faith negotiations with respect to a lease or usage agreement for each of the Railroad and the Port, each such agreement to be executed and delivered by such time as a Mining License is issued. Such agreements shall (i) embody the terms set forth in the first two sentences of this Section 6.7(h), (ii) have terms that are equal in length to the Term, (iii) provide that the Company shall have priority rights with respect to thereto and (iv) provide for a commercially reasonable land rent to be paid by the Company.
- i. During the Exploration Period, the Company shall develop preliminary studies estimating the cost of constructing, respectively, each of the Railroad and the Port, based on the Company's estimate at the time of the respective required rail and port capacity, the additional works and equipment that would be required to double the respective capacity of the Railroad as contemplated by Section 6.7(a) and of the Port as contemplated by Section 6.7(e), and the estimated cost of such additional works and equipment. The capital development plan required by Section 5.4(a)(iv)(3) to be included in the Feasibility Study shall set forth the estimated costs of constructing, respectively, each of the Railroad and the Port, shall identify with reasonable specificity the additional works and equipment required to double the respective capacity of the Railroad as contemplated by Section 6.7(a) and of the Port as contemplated by Section 6.7(e), and shall set forth the cost of such additional works and equipment (if performed or provided immediately after the respective completion of either the initial railroad or the initial port). The additional equipment referred to in this Section 6.7(i) does not include the motive power and rolling stock required to increase the capacity of the Railroad.
- j. The Company shall approve the designs and the work plan for the Railroad and the Port respectively, unless it reasonably concludes that the designs and the performance of the work plan or the operation of the Railroad or the Port as proposed pursuant to the expansion designs would unreasonably interfere with the Company's operations as then in existence or as then contemplated.
- k. If the Government or a third party wishes to provide for expansion of the Railroad's capacity as contemplated by Sections 6.7(a) and (c), or the expansion of the Port's capacity as contemplated by Section 6.7(e), the Company may elect to, but is not required to, itself carry out or contract for the additional work required. If it does so elect, it shall agree to complete the expansion within a commercially reasonable period of time, assuming that the necessary funding is timely received and subject to force majeure (it being understood that the Company is not obligated to incur binding commitments until funding for those commitments is in hand). If it does not so elect, the third party responsible for the expansion work shall submit the expansion designs and work plan to the Company for approval, which shall not be withheld unless such designs and works plans would unreasonably interfere with Operations.
- l. If there is a dispute with the Company as to any matter arising under Sections 6.7(c), (d) or (k) that is not resolved within 60 days after it is identified by any party to such

dispute by notice to the other parties as a “senior management dispute”, each party to such dispute shall promptly designate a senior member of the management of its ultimate controlling entity to participate in discussions to determine whether such dispute can be resolved. If the Government is a party to the dispute, the President shall designate a minister of cabinet rank to participate on behalf of the Government.

- m. If a resolution of any such dispute cannot be reached within 105 days after designation pursuant to the preceding paragraph as a “senior management dispute,” the Company, the Government or a third party that is a party to the dispute may demand that the dispute be submitted to a technical dispute resolution committee. The Company shall designate two persons to participate in such committee, and the other parties to the dispute (which may be the Government, the Government and one or more third parties, or one or more third parties) shall also designate two persons to participate in such committee. One person designated by each side shall have experience in either railroad or port operations, as the case may be, and shall not be regularly employed or retained by any person party to or having an interest in the outcome of the dispute. The four persons so selected shall not be regularly employed or retained by any person party to or having an interest in the outcome of the dispute and shall not be a citizen of Liberia or of any country whose nationals have a material interest in the dispute. The four persons so selected shall choose a fifth person who shall have experience in either railroad or port operations, as the case may be, and shall not be regularly employed or retained by any person party to or having an interest in the outcome of the dispute and who shall chair the committee. The recommendations of the committee as to the resolution of the dispute shall be binding on the parties to the dispute except that if the recommendations of the committee depend upon a determination of the legal meaning of any provision of this Agreement, the Company or the Government may seek arbitration under the terms of this Agreement as to the correctness of such determination.
- n. Disputes among third parties or between one or more third parties and the Government are not subject to the terms of the two preceding paragraphs.

5.8 Company Reporting Requirements.

The Company shall submit to the Minister (and the Minister of Finance, in the case of Section 6.8(f)) the following Production and financial reports, in addition to the financial statements required by Section 17.4:

- a. prior to the grant of a Mining License, those reports required by Section 6 of the Exploration Regulations;
- b. following the grant of a Mining License but prior to satisfaction of the capacity demonstration requirement set forth in Section 6.2, a six-monthly report on the progress of construction of the Mining Plant and Infrastructure provided for in the approved Feasibility Report, indicating progress and expenditures to date, and estimated date of satisfaction of the capacity demonstration requirement;
- c. a quarterly statistical report (which shall be delivered for every quarter, including months ending an annual reporting period) beginning with the calendar quarter in which commencement of the Production Operating Period occurred, setting forth (i) the amounts of Iron Ore Mined, the amounts of Iron Ore processed at the Mine, the amounts of Product(s) shipped to the port, the amounts of Product(s) exported,

the amounts of Product(s) otherwise disposed of and the stocks of mined Iron Ore and Product(s) at the end of the period at the Mine and at the port (Product(s) in transit being deemed located at the port), (ii) the number and location of the workings on which work was performed during the preceding quarter, (iii) the number of workers employed thereon at the end of the quarter, and (iv) a brief description of the work in progress at the end of the quarter and of the work contemplated during the following quarter;

- d. a quarterly operating report, beginning with the calendar quarter in which the commencement of the Production Operating Period occurred, concerning the progress of its operations in the Production Areas that are the subject of a Mining License issued pursuant to this Agreement, specifying in full:
- i) those workings in which technically exploitable Minerals are considered to have been found, regardless of whether the deposits of such Minerals are deemed to be commercial or not (together with all data relative to the estimated volumes and the kind or kinds of such technically exploitable Minerals encountered and the analyses of such data), the number and description of workings which have been placed in commercial production and full particulars concerning the disposition of such production, the number of workers employed on each of such workings, the work in progress at the end of the quarter in question, and the work contemplated during the ensuing quarter; and
 - ii) the work accomplished during the quarter in question with respect to all installations and facilities directly or indirectly related to its exploitation program, together with the work contemplated for the ensuing quarter with respect to the same installations and facilities and indicating both actual and estimated investment in such installations and facilities made, committed or to be committed with respect to such installations and facilities;
- e. an annual operating report, beginning with the Financial Year in which the commencement of the Production Operating Period occurred, which shall include:
- i) the number and description of the workings which were in progress at the end of the Financial Year preceding the Financial Year in question (with a showing as to which were then in commercial production), the number and description of workings abandoned during the Financial Year in question; the production of each of the workings, regardless of whether in commercial production or not, with a full description of the kind and quality and analyses of Products produced from each working, and the number of workings on which activities are continuing at the end of the Financial Year in question, but which have not gone into commercial production;
 - ii) the total volume of Products, kind-by-kind, broken down into volumes Mined, volumes transported from the Mines and their corresponding destination, volumes stockpiled at the Mines or elsewhere in Liberia, volumes sold or committed for export (whether actually shipped from Liberia or not), and volumes actually shipped from Liberia (with full details as to purchaser, destination and terms of sale);
 - iii) work accomplished and work in progress at the end of the year in question with respect to all of the installations and facilities related to the production

program, together with a full description of all work programmed for the ensuing Financial Year with respect to such installations and facilities including a detailed report of all investment actually made or committed during the year in question and all investment committed for the ensuing Financial Year or Financial Years;

- iv) a report on all other Production and activities for that Financial Year;
 - v) as a supplement, a report describing in reasonable detail the actions the Company has taken during the reporting year to comply with the requirements of each of Sections 8 through 12;
- f. an annual financial report, beginning with the Financial Year in which the commencement of the Production Operating Period occurred, setting forth the quantity of Product(s) produced and shipped from Liberia or Transferred to a third party in Liberia during the Financial Year and the computation of the Royalties or any other Taxes and Duties imposed with respect to the quantity of Product(s) so shipped or so Transferred, in each case paid or remaining to be paid on such shipments or Transfers;
- g. any monthly operating reports that it regularly provides to any of its Affiliates; and
- h. on request from the Government from time to time, evidence of the Company's compliance with Section 6.3(a).

All quarterly reports required under this Section 6.8 shall be submitted within 30 days of the end of the quarter in question, and all annual reports required under this Section 6.8 shall be submitted within 60 days of the end of the Financial Year in question. Each report referred to in Sections 6.8(a), 6.8(b), 6.8(c), 6.8(d) and 6.8(e) shall be certified as true and correct by the chief executive officer and the chief operating officer of the Company. The report referred to in Section 6.8(f) shall be certified as true and correct by the chief executive officer and the chief financial officer of the Company.

5.9 Books and Records.

The Company shall maintain at its principal office in Liberia, or at such other offices as the Minister may approve, copies of all maps, geological, mining or other earth science reports and mineral analyses (together with all field data which support such reports or data), production records and financial reports and other data obtained or compiled by the Company as a result of Operations. The Government shall have full access to inspect on site all such information, data and material, following receipt by the Company of at least two Business Days' prior written notice provided that such access does not unreasonably interfere with Operations.

5.10 Inspection.

The Ministry and other agencies of the Government having jurisdictions (such as the EPA and any governmental entity at the time responsible for employee safety and welfare) shall have the right to monitor Operations (including inspecting relevant documents) from time to time and may, following receipt by the Company of at least two Business Days' prior written notice, visit and inspect any of the facilities and Operations of the Company in Liberia, provided that no prior written notice is required where the inspection relates to a concern regarding security, employee health and safety or a negative environmental impact. As a condition to permitting such inspection, the Company may require (i) receipt of a copy of

written instructions to conduct such inspection from an official senior to the official purporting to conduct the inspection, manually and legibly signed on the letterhead of the relevant ministry or Government agency, and (ii) viewing and copying the identification of the persons claiming the right to conduct such inspection. Nothing herein shall limit the right of authorized security agencies to access or inspect facilities and Operations of the Company in order to investigate criminal or other security matters.

5.11 Insurance.

- a. At all times during the Term (including during the construction period) the Company will maintain, with financially sound and reputable insurers, insurance with respect to its properties, including any properties leased or deemed to be leased from the Government or a third party, any other property used in Operations title to which is retained by the Government or shall automatically revert to the Government upon termination of the Agreement, and any property which constitutes social infrastructure (e.g., schools or medical facilities) which is constructed by, or on behalf of, the Company, against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business. Such insurance shall include protection against loss or damage to such property, third-party liability insurance (as to which the Government shall be an additional named insured) and, to the extent commercially available on reasonable terms, business interruption insurance. The Company shall provide the Government at least annually with evidence as to the existence of such insurance.
- b. Where an event occurs which gives rise to an ability to make a claim against the insurance maintained by the Company pursuant to Section 6.11(a), unless the Government consents otherwise, the Company shall promptly file a claim with the relevant insurance company and, in the case of third party liability insurance, the Government shall be entitled to file a claim. Unless the Government consents otherwise, the Company shall be obligated to re-invest the proceeds of insurance covering loss or damage to any property which constitutes social infrastructure which is constructed by, or on behalf of the Company or title to which is retained by the Government or shall automatically revert to the Government upon termination of this Agreement for the restoration or replacement of such property. In respect of any other insurance coverage for loss or damage to property, the Company shall be entitled to re-invest or retain the insurance proceeds as it shall determine in its sole discretion, provided, that if the Company does not re-invest the proceeds and as result thereof there is no material production or processing in a Production Area, then in respect of that Production Area the Company shall relinquish the Mining License applicable to such Production Area.

SECTION 6 LAND AND FACILITIES

6.1 Surface Rights.

Subject to Section 6.3(b), the Company shall have the right, subject to the requirements of applicable Law, to enter upon and utilize Land included in i) the Exploration Area, ii) as otherwise specified in Sections 5.1(b) of this Agreement, and, iii) following the issue of a Mining License, in a Production Area for purposes of and incidental to Operations; subject to the payment of reasonable compensation to the Landowners or Occupants of Land so

utilized for loss of or diminution in the value of such Land or the products thereof attributable to Operations.

6.2 Limitation on Exploration and Production.

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

6.3 Acquisition of Land Use Rights Outside a Production Area.

- a. To the extent otherwise permitted by applicable Law and not already provided for in this Agreement, the Company is permitted to acquire surface land use rights in respect of Land which is not included in the Production Area sufficient to entitle it to construct, install and operate Mining Plant or Infrastructure. If following the approval of a Feasibility Report the Company cannot reasonably obtain sufficient land use rights to enable it to construct, install and operate Mining Plant or Infrastructure provided for in the approved Feasibility Report, the Government will make available to the Company for such purposes Land owned by the Government. If the Government cannot make available to the Company sufficient surface rights in such Land and the Company is unable to acquire sufficient rights from relevant third parties on reasonable terms and conditions, the Government shall assist the Company in acquiring sufficient rights for such purposes, including providing assistance for the purposes of clarifying the nature and extent of any title to Land. If no other surface rights are reasonably available to the Company for such purposes the Government will use its powers of eminent domain to obtain such rights from an unwilling third party.
- b. Surface rights made available by the Government from areas it owns shall be subject to the provisions of Section 14.

6.4 Costs of Acquisition of Land Use Rights; Termination of Rights.

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

SECTION 7 COMMUNITY RESOURCES

7.1 Community Responsibility.

It is the policy of the Government and the obligation of the Company to develop programs for the development and maintenance of the economic and social viability of the centers of population that have formed and that may form as a result of Operations during the term of

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

7.2 Community Funding Obligation

- a. The Company shall pay an annual social contribution (the “Annual Social Contribution”) as provided in this Section 8.2(a). Commencing on the Effective Date and thereafter on each anniversary of the Effective Date through 2017, the Company shall make the following payments: US\$500,000 on the Effective Date; US\$500,000 in 2011; US\$1.25 million in 2012; US\$1.5 million in 2013; US\$3 million in 2014; US\$3 million in 2015; US\$3 million in 2016; and US\$3 million in 2017. Commencing in 2018 through the Term, on each anniversary of the Effective Date, the Company shall pay an Annual Social Contribution equal to the greater of US\$3 million (adjusted annually for inflation in the manner provided for in Section 8.2(b)) and 0.5% of taxable income for the prior year. The Annual Social Contribution shall be deposited and held as provided in Exhibit 6. The Annual Social Contribution shall be in lieu of any obligation of the Company pursuant to Section 9.3(b) of the Exploration Regulations.
- b. Commencing with the Annual Social Contribution due in 2018, the amount of the Annual Social Contribution shall be subject to adjustment in accordance with the Deflator. The inflation adjusted amount shall be determined as of the last day of the second calendar quarter preceding the calendar quarter in which the anniversary of the Effective Date occurs and shall be based on the ratio of the value of the Deflator for such calendar quarter to the value of the Deflator for the corresponding calendar quarter of 2017. The Government’s determination of such amount shall be final, absent manifest error.
- c. The Annual Social Contribution and utilization of such funds for specific projects shall be managed by a dedicated committee (the “Committee”) in accordance with the structures established by the Government in consultation with the Committee from time to time, provided that in all cases (i) the Company shall at all times have at least one representative on the Committee; (ii) structures and processes will be established to provide for the participation (in a decision-making or advisory capacity as the Government shall determine from time to time) of officials, businesses and residents from the affected counties in the identification and selection of projects to be supported with funds from the Annual Social Contribution; (iii) no funds shall be dispersed from the Annual Social Contribution, if, in the Company’s view, the disbursement of the funds or the project supported by the funds would cause the Company to be in violation of applicable law, including any applicable anti-corruption laws; (iv) funds from the Annual Social Contribution may be disbursed (A) only for direct delivery of services and community Infrastructure improvements, and not to fund the general work programs of administrative offices or officials save funding of customary and reasonable compensation and benefits for the Committee’s administrative assistant and of reasonable amount for basic office supplies, and (B) except as provided in Exhibit 6, only for the benefit of Liberian communities in the affected counties, provided, that residents of Grand Gedeh, River Gee, Sinoe and any other County identified in the Pre-Feasibility Report or the

Feasibility Report as being directly impacted by Operations shall be the primary beneficiaries. Projects supported with funds from the Annual Social Contribution and the actual disbursements from the Annual Social Contributions shall be publicly disclosed and shall be subject to the same audit procedures provided for expenditures by the Government of Liberia and as may be further provided by Law. Periodic reports and audit reports shall be made available to the Company and to the public and the Company shall have the right to independently audit (at its own expense) any disbursement or expenditure made or project supported with funds from the Annual Social Contribution and for this purpose shall be provided with and have access to all relevant documentation and information.

SECTION 8 PUBLIC HEALTH AND SAFETY

8.1 Safety Procedures and Notifications.

In connection with Operations, the Company shall install, maintain and use such modern health and safety devices, work gears and equipment, and shall practice such modern health and safety procedures and precautions (including regular safety training instruction for its employees) as are in accordance with applicable Law and International Standards. The Company shall notify the Government promptly of any death of or serious injury to any employee of the Company or any of its contractors or any other persons that occurs as a result of Operations. For the purposes of this Section 9, a serious injury means an injury that is likely to cause the injured Person to lose five or more working days.

8.2 Security.

- a. The Company may, directly or by contract with a responsible provider of security services, establish, manage and maintain its own asset and employee security and protection service for the purpose of maintaining law, order and security in the Exploration Area, in each Proposed Production Area or in each Production Area and in the immediate vicinity of other locations at which Company has or maintains property and assets through its own security force and to do so always being subject to applicable Law (including all Laws relating to apprehension and detention and human rights) and the “Voluntary Principles on Security and Human Rights” (as of October 2009 located at: <http://www.voluntaryprinciples.org>), provided that if at any time during the Term the foregoing principles are no longer published on the Internet, the last available published form shall apply to this Section 9.2(a) unless and until the parties agreed upon an alternative set of principles to be applied. Those members of the Company’s (or such contractor’s) security services as being certified by the Ministry of Justice as being literate, as having received training in police and law enforcement procedures given by an outside contractor (which contractor has been certified by the Ministry of Justice) and as having been provided with operating manuals approved by the Ministry of Justice shall have enforcement powers within the areas described in the preceding sentence, always being subject to applicable Law.
- b. The Company’s security services will have (i) the power of apprehension and detention in accordance with applicable Law, and (ii) the power, to the extent permitted by applicable Law, to search and exclude or evict unauthorized Persons from the areas described in Section 9.2(a). If any person is detained by the Company’s security services, the appropriate Government authority shall be notified immediately, and the person detained shall be handed over to such authority as soon as practical and in no case later than the earlier of 24 hours from the time of

detention and when requested by Liberian National Police. The Company's security services may not use unreasonable force in detaining, excluding or evicting persons, whatever the nature of their intrusion, and any detention facilities shall be adequately ventilated, reasonably clean and with access to sanitary toilet facilities.

- c. The Company shall coordinate the activities of the Company security services, or to the extent that a contractor provides such security services to the Company, the Company shall procure that such contractor shall coordinate with the Government's police and law enforcement authorities and report (or procure that the relevant contractor reports) quarterly to the Minister of Justice (with a copy to the Minister) on the activities of the Company's or its contractor's security services (as applicable), including numbers of persons detained and excluded or evicted, the reason for, the place of and the period of any detention, and the disposition of each detained person, provided that where the Company's or its contractor's security services have detained any person, the Company or its contractor (as applicable) shall report to the Minister of Justice (with a copy to the Minister) as soon as practicable and in any event within a month of the relevant detention. Each such report shall be certified by the chief executive officer of the Company (or by the equivalent person within the contractor, as applicable) as being true and correct.
- d. The Company is and shall be fully responsible for the compliance of the members of its security force, whether its employees or the employees of a contractor, with all requirements of this Section 9.2 and for all consequences of any breach of those requirements.

8.3 Employee Housing.

The Company shall, either directly or indirectly, ensure access to housing for the employees of the Company and their resident spouses and resident dependent children (up to the age of 21) and shall ensure that such housing conforms to minimum standards as agreed between the Government and the Company including ensuring those requirements set out in Sections 9.4 to 9.6.

8.4 Sanitation.

Access to housing under Section 9.3, will include provision for bathroom facilities with a toilet, sink and shower located in each house. The Company shall also provide clean and accessible toilet (and, where the nature of the work makes it appropriate shower) facilities at its workplaces.

8.5 Water Supply; Clean and Safe Drinking Water.

Access to housing under Section 9.3, will include provision for a clean and safe pipe-borne water system for all houses. In addition, the Company shall construct hand pumps or other sources of water at its workplaces that ensure a convenient and uninterrupted supply of clean and safe drinking water. All drinking water shall meet or exceed the approved Government standards for drinking water quality.

8.6 Size of Houses.

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

SECTION 9 MEDICAL CARE

Upon the commencement of construction of any Mine, Mining Plant or Infrastructure, the Company shall construct or cause to be constructed, and during the period that a Mining License is in effect under this Agreement the Company shall maintain and operate or cause to be operated, health facilities to ensure the availability in each Production Area of medical treatment, care and attention in accordance with applicable Law, and such other improved standards as may be agreed between the parties, provided, that at the Company's primary Mining location the Company shall no later than the commencement of Production have constructed or caused to be constructed and shall maintain a hospital facility providing a wide range of curative and preventative services supported by a small laboratory and meeting all standards under applicable Law. Such treatment, care and attention shall be free of charge for the Company's employees and their resident spouses and resident dependent children up to the age of 21. Government officials and/or employees assigned to and regularly employed in the Production Area in an official capacity, and resident in or adjacent to the Production Area, and their resident spouses and resident dependent children (up to the age of 21), shall, during the time of such assignment, employment and residence, also be entitled to receive medical care on the same basis as Company employees, provided that the Government agency which represents each such Government official or employee shall, at the time of the assignment or regular employment, certify to the Company the names and full identification of the Government official or employee, the resident spouses and resident dependent children (up to the age of 21). The Company shall also provide reasonable access to such health facilities to members of local communities for ambulatory or emergency care. It is understood that "reasonable access" may include the imposition of fees that are reasonable in light of the economic level of such communities, it being also understood that such fees are unlikely to cover the cost of service.

SECTION 10 EMPLOYMENT, TRAINING AND EDUCATION

10.1 Employment.

- a. Employment practices of the Company shall conform to applicable labor practices Law and other applicable Law and the Company will require any contractors or sub-contractors to comply with this provision with respect to their own employment practices.
- b. None of the Company nor any other contractor or sub-contractor may hire individuals who are not citizens of Liberia for unskilled labor positions.
- c. The Company shall (and the Company will require any other contractors or sub-contractors to) employ and give preference to the employment of qualified citizens of Liberia for financial, accounting, technical, administrative, supervisory, managerial and executive positions and other skilled positions as and when such positions become available unless and to the extent that such competent and suitably qualified citizens are not available for such positions, it being the objective of the parties as soon as is practicable that the Operations under this Agreement should be conducted and managed primarily by citizens of Liberia.
- d. In furtherance of the obligations under Section 11.1(c), the Government and the Company shall agree prior to the approval of the Feasibility Report on progressive implementation of an employment schedule with the objective of citizens of Liberia holding at least 30% of all management positions including 30% of its ten most senior positions within five years of the initial grant to the Company of a Mining License under this Agreement, and at least 70% of all management positions including 70% of its ten most senior positions within ten years of such date.

Appointment of a citizen of Liberia to a particular position does not preclude subsequent employment of a citizen of another country in such position and it shall, at all times, be in the Company's reasonable judgment as to whether a Person is suitably qualified for a particular position, having regard to all relevant criteria, including such Person's skills and training and any health and safety considerations.

- e. Subject to the above, the Company may at all times choose its employees and shall be free to employ such Persons who are not citizens of Liberia as are required for the efficient conduct of Operations in Liberia. Where applicable Law stipulates minimum technical qualifications and/ or minimum levels of competence for any technical post, the Government undertakes to recognize equivalent technical qualifications and/or certificates of competency held by Persons who are not citizens of Liberia, provided that such qualifications and/or certificates of competency shall have been issued by a recognized institution or statutory authority in any other country having a substantial mining industry or internationally recognized mining education institution.

10.2 Training of Liberians.

- a. Following the grant to the Company of a Mining License under this Agreement, the Company shall provide on a continuing basis for the training of citizens of Liberia in order to qualify them for financial, accounting, supervisory, managerial, executive positions and other skilled positions, and as required by Operations provide on-the-job training, operate vocational training facilities, and utilize whatever other measures are necessary and reasonable to transfer to other citizen employees the ability to work in skilled trades and to supervise other tradesmen and laborers.
- b. The Company shall facilitate the qualification of a Liberian geologist under international resource reporting codes but shall not be required to guarantee employment after training. The Government shall provide the Company with a list of potential candidates for iron ore Competent Person (CP) status accreditation under CRIRSCO guidelines. The Company shall continue to hire and train Liberian geologists, including funding their CRIRSCO accreditation as and when they qualify. The Company shall furthermore facilitate applications by its own Liberian geologist employees for accreditation and subsequent registration under CRIRSCO guidelines as iron ore Competent Persons.
- c. The Company shall also provide for the following:
 - i) Training of a high-calibre Liberian technical professional to assume the role of Putu Site Manager within 5 years from the Effective Date;
 - ii) Training of a high-calibre Liberian caterer or chef to assume the role of Catering Manager at the Putu Site within 5 years from the Effective Date;
 - iii) Engagement of an international security services consultant to provide training to the Company's Liberian security contractor (Sodjatt Guard Security Service) in security risk evaluation and mitigation, and the preparation of emergency plans;
 - iv) Engagement of an international medical services provider to train a Liberian nurse employed by the Company at its Petrokon Town first aid post health;

- v) Training of Liberians from surrounding villages in various exploration support infrastructure functions; and
- vi) Regular training in defensive driving techniques for Company drivers, who will also benefit from regular first aid training from the Company's international medical services provider.

10.3 General Education Funding.

- a. The Company shall, commencing on the Effective Date until the award of a Mining License, contribute annually on the anniversary of the Effective Date through a Company administered program a total of US\$100,000 (adjusted annually for inflation in the manner provided for in Section 11.3(b)) to education funding to be allocated as follows: (i) US\$40,000 per year (as adjusted for inflation) towards geology or mining engineering scholarships at the University of Liberia and technical apprenticeships at Grand Gedeh County educational establishments, with such scholarships and apprenticeships preferably awarded to students from Grand Gedeh County, (ii) US\$20,000 per year (as adjusted for inflation) towards the creation and operation of a Mining and Geology Institute at the University of Liberia for students majoring in mining engineering and geology, (iii) US\$10,000 per year (as adjusted for inflation) towards the promotion of graduate training programs in Geology and Mining Engineering or other related disciplines at the University of Liberia or such other state operated higher education institutions, and (iv) US\$30,000 per year (as adjusted for inflation) towards the facilitation of graduate training of and sponsor exchange programs for students majoring in mining engineering and geology, with preference for students from Grand Gedeh County, in universities in other parts of the world (it being understood that such programs should be structured to provide reasonable incentive for such employees to return to Liberia on completion of their training). Following the grant of a Mining License to the Company under this Agreement, the Company shall increase the total annual contribution to the inflation adjusted (as provided the previous sentence) equivalent of \$250,000, which amount shall be payable on the anniversary of the Effective Date for the remainder of the Term and shall be allocated for the purposes described in the foregoing sentence in the same proportions provided therein.
- b. Commencing with the payment due on the first anniversary of the Effective Date, the amount payable pursuant to Section 11.3(a) shall be subject to adjustment in accordance with the Deflator. The inflation adjusted amount shall be determined as of the last day of the second calendar quarter preceding the calendar quarter in which the anniversary of the Effective Date occurs and shall be based on the ratio of the value of the Deflator for such calendar quarter to the value of the Deflator for the second calendar quarter preceding the calendar year during which the Effective Date occurred. The Government's determination of such amount shall be final, absent manifest error.
- c. The amount referred to in clause (ii) of Section 11.3(a) shall be paid to the general revenue account of the Government and earmarked for the University of Liberia. The Company's obligations under clause (iv) of Section 11.3(a) shall include, but are not limited to, the funding up to the amount provided in clause (iv) in each year (commencing in the year the first Mining License is granted) of the expenses of at least one Liberian citizen in a recognized graduate school for a master's degree or the equivalent in geology, mining engineering, or a related field. The Company may condition such funding on an agreement of the student to work for the Company, an

Affiliate of the Company or an Affiliate of a shareholder of the Company upon graduation.

- d. The Company will, directly or indirectly in conjunction with the Ministry of Education, ensure that there is available free primary and secondary education (K-12) to the resident dependent children (up to the age of 21) of the Company's employees and of Government officials and/or employees assigned to and regularly employed in a Production Area in an official capacity and who are resident in or adjacent to such Production Area.

10.4 Scientific Research Fund.

The Company shall also make an annual contribution to the Scientific Research Fund of \$100,000, commencing on the Effective Date and payable thereafter on the anniversary of the Effective Date, through the Term. Such amount shall be adjusted annually for inflation in the manner provided in Section 11.3(b) and shall be paid into the general revenue account of the Government for the Scientific Research Fund.

10.5 Audit Rights.

The Company shall have the right to independently audit (at its own expense) the use of any contributions made pursuant to Sections 11.3(a) and (c) or Section 11.4 and for this purpose shall be provided with and have access to all relevant documentation and information. The Company shall not be required to make any contribution under Sections 11.3 and 11.4 that, in its view, would cause the Company to be in violation of applicable law including applicable anti-corruption laws.

SECTION 11 USE OF LIBERIAN GOODS AND SERVICES

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

SECTION 12 ENVIRONMENTAL PROTECTION AND MANAGEMENT

12.1 The Company's Duty.

The environmental responsibilities of the Company during Exploration are as set forth in the Exploration Regulations (as modified by this Agreement). Following the grant of a Mining

License to the Company, the Company shall conduct its Operations in accordance with Sections 8.1 through 8.3 of the Mining Law, applicable Law, the World Bank/IFC Environmental Health and Safety Guidelines for Mining, the IFC Performance Standards on Environmental and Social Sustainability, the approved EMP and this Agreement. The Company shall in any event take appropriate preventive measures to protect all streams and water bodies within or bordering Liberia, all dry land surfaces, and the atmosphere from pollution, contamination or damage resulting from Operations. If Operations violate any requirement referred to in the two previous sentences or otherwise have material adverse impact on the environment, the Company shall proceed diligently to restore the environment as much as possible to its original and natural state (or to remediate the negative impact where restoration is impractical) and shall take appropriate preventive measures to avoid further material adverse impact on the environment.

12.2 Environmental Reports and Audits.

- a. The Company shall deliver to the Minister, within 60 days after each anniversary of the date of the issue of the Mining License, an environmental report prepared by the Company which shall include an assessment of the Production Areas under such license plus all areas outside of the Production Areas in which the Company conducts Operations.
- b. The Company shall deliver to the Minister (i) once every two years commencing with the second anniversary of the submission of the first environmental report pursuant to Section 13.2(a) and (ii) on the last day of the Mining Term, an environmental audit and assessment of the Production Areas under such license plus all areas outside of the Production Areas in which the Company conducts Operations. The audit shall be performed or supervised by an environmental consultant who is not a regular employee of the Company or an Affiliate of the Company and who is a registered engineer or scientist with at least ten years of experience in making environmental compliance assessments and audits in the mining industry, the identity of whom is agreed with the Minister. The audit and assessment are for the purpose of determining whether Operations since the beginning of the relevant period the subject of the audit are being conducted in conformity with applicable environmental Law and the other requirements of this Agreement and the Company's approved EMP. Such audit and assessment will also include an assessment of the status of the Company's provision for restoration or remediation of the Production Areas and such other areas in which the Company conducts or has conducted Operations and its conformity with the requirements of the approved EMP. The audit and assessment will also include a full accounting for all changes during such relevant period in the balance of any account established pursuant to the approved EMP to fund such restoration and remediation. If any such audit and assessment for any relevant period identifies any failure to comply with the requirements of Section 13.1 or the EMP, the Company shall promptly remedy such situation at its own expense.

12.3 Government Environmental Inspections.

The Minister or the EPA may conduct, at its own expense, periodic inspections of Exploration Areas, Production Areas and other areas in which the Company conducts Operations following receipt by the Company of at least two Business Days' prior written notice of such inspection, provided that no prior written notice is required where the inspection relates to a concern regarding employee health and safety or a negative environmental impact. As a condition to permitting such inspection, the Company may

require (i) receipt of a copy of written instructions to conduct such inspection from an official senior to the official purporting to conduct the inspection, manually and legibly signed on the letterhead of the relevant ministry or Government agency, and (ii) viewing and copying the identification of the persons claiming the right to conduct such inspection.

12.4 Updating the EIA and the EMP.

- a. The Company shall periodically (not less frequently than every four years, or as may otherwise be required by applicable Law) update the EIA and the EMP to reflect the actual status of Operations at the time and updated risk assessments generally applicable with respect to Operations or Mine closure, and updated estimates of the cost of carrying out the closure management plan.
- b. The Company shall also update the EIA and the EMP as a condition to making any material changes in Operations, or any Mine, Mining Plant or Infrastructure. The updated EIA and EMP (including an updated closure management plan and budget) are to be submitted to and are subject to the review and approval of the EPA in accordance with then-applicable environmental Law, such approval not to be unreasonably withheld or delayed. As a condition of approval, the Minister or the EPA may require additional funding to be provided or secured in accordance with the agreed funding scheme pursuant to Section 5.5(c) if such action is required to assure adequate and secure funding of estimated closure costs. The Company shall in any event comply with its undertakings contained in the most recently approved EIA and EMP.

12.5 Scope of Duty to Cease Operations during Remediation.

Any environmental remediation required by applicable Law or this Agreement to occur during the Mining Term shall not require the Company to cease Operations during the restoration or remediation period (except to the extent necessary to carry out such restoration or remediation) so long as the Company is proceeding diligently to undertake the required restoration or remediation and has ceased any activities that constituted a violation of applicable Law or a breach of the obligations of the Company under Section 13.1. This Section does not limit the right of the Minister to suspend Operations under Section 24 when Operations are causing a material adverse impact on the environment.

12.6 No Liability for Previous Negative Environmental Impact.

- a. The Company shall assume no liability for and shall have no liability to any third party for any negative environmental impact within any part of the Exploration Area, Production Area or any other area in which the Company is conducting Operations in existence prior to commencement of any Exploration or other Operations or resulting from the acts or omissions by parties other than the Company or its Affiliates prior to commencement of any Exploration or other Operations ("Previous Negative Environmental Impact").
- b. The Government shall indemnify and hold harmless the Company from any losses and liability incurred by it resulting from any claims made against the Company by third parties which have arisen in connection with Previous Negative Environmental Impact in respect of Land owned by the Government which it has made available to the Company for the purposes of Operations (excluding any Land that is made available to the Company pursuant to the exercise by the Government of its powers of eminent domain pursuant to Section 7), provided that:

- i) the Company shall notify the Minister of Justice promptly of any suit, action, proceedings, claims, investigations and negotiations made against the Company in respect of this Section 13.6 (a “Third Party Company Claim”);
- ii) the Company shall have the right to conduct all suits, actions, proceedings, claims, investigations and negotiations relating to any matter referred to in this Section 13.6; and
- iii) in the conduct of any Third Party Company Claim, the Company shall:
 - (A) if so required by the Government, take all such steps or proceedings as the Government may reasonably require including steps to avoid, dispute, resist, mitigate, compromise, defend or appeal against any such Third Party Company Claim (provided that such steps or proceedings shall be taken at the Government's cost and expense);
 - (B) provide the Government with all such information and reports concerning any such Third Party Company Claim and any steps or proceedings taken by the Company as the Government may from time to time reasonably request; and
 - (C) not agree to settle and/or settle any such Third Party Company Claim without prior written consent of the Government (such consent not to be unreasonably withheld).

SECTION 13 TAXATION

13.1 Law of General Applicability.

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

13.2 Fiscal Regime.

- a. Exhibit 3 to this Agreement sets forth certain additional provisions which have been agreed and shall, except as otherwise provided in this Section 14.2, be read in conjunction with the Revenue Code as if such modifications were in force and constituted applicable Law for the purpose of determining the liabilities of the Company under the Revenue Code.
- b. From the Effective Date until the expiry of five years following the Start of Commercial Production the Company shall be exempt from all import duties, customs and excise charges, and related fees, subject to the payment of a customs user fee as provided in the Revenue Code, on all modules, plant, equipment, construction material, machinery, and light and heavy vehicles, spare parts as well as raw materials, intermediate inputs and consumables (other than gasoline and gas oil), including those items referred to in Exhibit 7 to this Agreement.
- c. The Company shall withhold tax on payments made to nonresidents at the following rates:
 - (1) Interest, 5 percent;
 - (2) Payments for services, 6 percent; and

(3) Dividends, 5 percent.

- d. The customs user fee in respect of all items not subject to the import duty as provided for by applicable Law shall be:
- US\$400,000 per annum from the Effective Date until the date of commencement of construction of any Mine, Mining Plant or Infrastructure or the date which is 12 months following date on which a Mining License is issued, whichever is the earlier;
 - US\$600,000 per annum from the date of commencement of construction of any Mine, Mining Plant or Infrastructure or the date which is 12 months following date on which a Mining License is issued, whichever is the earlier, until the Start of Commercial Production; and
 - 1.5% of the CIF Liberian Port value (within the meaning of the Revenue Code) of the imported goods thereafter.

For the avoidance of doubt, no customs user fees shall be payable in respect of any goods which are subject to import duty but will be subject to inspection fees. If an import is entered solely for the purpose of transshipment out of Liberia, it is not subject to the fee in this paragraph but is subject to the fee for exports described in Exhibit 3, Section 1802, paragraph 3.

- e. In consideration of the Company's agreement with respect to the construction and paving of the Road as provided in Section 6.6 of this Agreement, the corporate income tax rate shall be reduced to 25 percent for the initial Term of this Agreement provided that such rate shall be 30 percent (i) if the Company is at any time not in compliance with its obligations pursuant to Section 6.6 and (ii) in any event, subsequent to the expiration of the initial Term of this Agreement. The provision for imposition of the 30 percent income tax in the case of the Company's breach of Section 6.6 shall not preclude the Government from pursuing other remedies to which it is entitled under this Agreement.

13.3 Stabilization.

- a. All matters governed by the Revenue Code (or any similar Law) but not specifically addressed in this Agreement, including Exhibit 3 and Section 14.2 where applicable, shall be governed by the Revenue Code. To the extent there is a conflict between the Revenue Code including Exhibit 3 where applicable and this Agreement, this Agreement shall prevail.
- b. The Government hereby agrees that with respect to those items set out in this Section 14.3 the rates and provisions provided in this Agreement shall be fixed as of the Effective Date for the Term of this Agreement but not to exceed 15 years from the grant of the first Mining License (which shall extend to the end of the fiscal year applicable to the Company in which the 15th anniversary of the grant of the first Mining License occurs to the extent the anniversary does not fall on such date). For the avoidance of doubt, during such period any future amendment, additions, revisions, modifications or other changes to any Taxes and Duties (or the provisions or practice relating to any Taxes and Duties) applicable to the Company or the Operations that would have the effect of imposing an additional or higher Tax or similar charge on the Company or the Operations shall not apply to the extent it

would require the Company to pay such additional or higher Tax or similar charge, including any future amendment, additions, revisions, modifications or other changes in relation to any of the following:

- i) The income tax rate;
 - ii) The rate of royalty on mineral production;
 - iii) The special rule for extended net operating loss carry forward;
 - iv) The special rule for depreciation and other cost recovery;
 - v) The rate for withholding of tax on payments;
 - vi) The exemption from goods and services tax in Section 1001(e)(6) and 1001(g)(5);
 - vii) The exemption from import duties provided in Section 1708(b); and
 - viii) The exemption from real property taxes provided in Section 2009(ii).
 - ix) The exemption from export duties provided in Section 1701(a)(2).
- c. Should the Government reduce the applicable Taxes and Duties below those applicable to the Company pursuant to this Agreement including Exhibit 3, then the Company will become entitled to such reductions upon providing notice to the Minister of Finance.
- d. Upon the filing of the Feasibility Report, the Government and the Company agree to meet and discuss in good faith such modification of the fiscal provisions of this Agreement as may be requested by either party in light of the Feasibility Report, it being understood that the Government shall have no obligation to agree to any reduction in Taxes or Duties or any other modification that would be more favorable to the Company, or less favorable to the Government, than the corresponding provisions of this Agreement prior to any modification. Neither party shall be obligated to engage in such negotiations beyond the date of the approval of the Feasibility Report. In no case shall the Company be required to accept any increase in Taxes and Duties as a result of such review beyond the amounts payable pursuant to this Agreement.

13.4 Taxation of Permitted Subsidiaries and Contractors.

- a. Any Permitted Subsidiary engaged exclusively in Production as part of the mining project within the meaning of the Revenue Code and Exhibit 3 shall be entitled to the same customs duty tax and customs duty treatment as the Company, provided that its activities otherwise conform to the requirements of this Agreement applicable to the Company, including without limitation auditing and reporting provisions.
- b. The exemption from import duties provided in Section 1708(b) shall apply to the Company's contractors and their subcontractors to the extent that the said contractors and subcontractors are rendering goods or services to the Company in relation to its Operations or importing goods in connection with the Operations provided any such goods or services are identified as goods or services relating to the Operations.

13.5 Consolidation.

Consistent with Section 701(c)(3) the Government shall have the right to treat the Company, any Permitted Subsidiary, and any Affiliate engaged exclusively in Production as part of the mining project as a single consolidated entity for purposes of Liberian tax. Any activities of such Affiliates within Liberia that are that not deemed part of the mining project shall not be consolidated and to that extent shall be taxed pursuant to the Revenue Code as if engaged in by a separate taxpayer.

SECTION 14 ROYALTIES, DETERMINATION OF FAIR MARKET VALUE, EXPORT SALES PRICE

14.1 Royalties.

- a. The Company shall pay the Government a royalty of 4.5 percent (the “Royalty Rate”) multiplied by the fair market value determined in accordance with Section 703 of Exhibit 3, (such payment collectively, the “Royalty”).
- b. The Royalty shall be paid to the general revenue account of the Government in Dollars on the date of shipment in respect of which payment of a Royalty is to be made. At the time of making such payment, the Company shall provide the Ministry of Finance with a statement showing the manner of computation of the Royalties due in such detail as the Ministry of Finance may require by regulation or otherwise.

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

The fair market value f.o.b. Liberia for purposes of Section 703 of Exhibit 3 and the sales price for computing gross revenue for purposes of Section 201 of the Revenue Code shall be:

- a. in the case of a sale to a non-Affiliate f.o.b. Liberia, the actual sales price paid or payable f.o.b. Liberia, and
- b. in the case of a sale to an Affiliate f.o.b. Liberia in connection with a back-to-back sale by the Affiliate to a non-Affiliate f.o.b. Liberia, the actual sales price paid or payable f.o.b. Liberia to the Affiliate by the non-Affiliate.

In all other cases the fair market value for purposes of Section 703 of Exhibit 3 and the transfer price for transactions between Related Persons provided for in Section 713 of Exhibit 3 (such transfer price to be used for computing gross revenue for purposes of Section 201 of the Revenue Code) shall be determined in accordance with the Pricing Agreement provided for in Section 15.3.

14.3 The Pricing Agreement.

- a. Prior to the approval of the Feasibility Report, the Government and the Company shall enter into an agreement (the “Pricing Agreement”) which shall set out the method for determining (i) the fair market value of each Product consistent with the requirements of Section 703 of Exhibit 3 and (ii) the transfer price for each Product consistent with the requirements of Section 713 of Exhibit 3.
- b. Upon request from the Government, the Company shall deliver to the Government:

- i) such documentation and information as may be required, pursuant to the Revenue Code and Exhibit 3, of a taxpayer in connection with the calculation of any Royalties payable; and
 - ii) such other information requested by the Government that is reasonably relevant to the determination of the fair market value or transfer price for each Product..
- c. If either party in good faith believes that the values for the fair market value or the transfer price of any Product determined pursuant to the Pricing Agreement are no longer consistent with the requirements of Sections 703 and 713, respectively of Exhibit 3, the parties will seek to agree upon a revised Pricing Agreement.
 - d. Failing agreement between the parties on a Pricing Agreement for determining the fair market value or the transfer price or any revisions thereto, such matters shall be determined by a single arbitrator as provided by Section 27.5, such arbitrator to be a recognized expert in the pricing of Iron Ore. The Pricing Agreement and any decision by an arbitrator if such is required shall be public and shall be posted by the Government electronically or through such other means as may be provided by regulation and shall be attached to this Agreement as Exhibit 4.

SECTION 15 OTHER PAYMENTS TO THE GOVERNMENT

15.1 Processing and Delay Fees.

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

- a. The processing fee for the filing of a notice designating one or more Proposed Production Areas and the accompanying Mining License application is US\$10,000 per Proposed Production Area, payable on filing of the notice.
- b. The processing fee for the filing of a Feasibility Report is US\$10,000, payable on filing of the Feasibility Report.
- c. The fee for a six month extension of the time to designate Proposed Production Areas pursuant to clause (i) of Section 5.1(i) is US\$15,000, payable on filing of the notice of extension.
- d. The fee for a six month extension of the time to file a Feasibility Report pursuant to clause (ii) of Section 5.1(i) is US\$100,000, payable on filing of the notice of extension.
- e. The processing fee for an application to postpone development under Section 5.2 is US\$500,000, payable on filing of the application.
- f. The processing fee for an application to modify or amend a Feasibility Report is US\$10,000, payable on filing of the application.

- g. The processing fee in connection with an application for a consent required under Section 23 is US\$10,000, payable on filing of the request for consent.

15.2 ECOWAS Trade Levy.

Notwithstanding any general exemption from import duties applicable to the Company under the Revenue Code or this Agreement, the Company shall be subject to the ECOWAS Trade Levy on all goods from non-ECOWAS states which it imports into Liberia at the rate established by applicable Law.

15.3 Inspection Fees.

The Company shall be subject to inspection on all imports and exports. If at any time the Government does not itself provide inspection services, the Company shall utilize the services of the inspection entities approved by the Minister of Finance at rates to be negotiated between the Company and the designated inspection agency. Where the Government does provide such inspection services, the Company shall pay such inspection fees to the Government as are in effect from time to time under applicable Law.

15.4 Regulatory Fees.

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

15.5 Mineral Development and Research Fund.

Pursuant to Section 18.4 of the Mining Law, the Company shall make a one-time contribution of US\$50,000 to the Mineral Development Fund, payable on the Effective Date. Such amount shall be paid into the general account of the Ministry of Finance for the Mineral Development Fund.

15.6 Water Use Levy.

The Company shall be liable to the payment of a water use levy to be negotiated between the parties in light of the requirements of the Company as set forth in the Feasibility Report submitted pursuant to Section 5.4 and prior to the grant of a Mining License under Section 5.

15.7 Other Payments.

The Company shall pay to the Government a signature fee of US\$10 million dollars, payable according to the following schedule:

- i) US\$2.5 million on the Effective Date;
- ii) US\$2.5 million on December 1, 2010;
- iii) US\$1 million on December 1, 2011;
- iv) US\$1 million on December 1, 2012;
- v) US\$1.5 million on December 1, 2013; and

- vi) US\$1.5 million on December 1, 2014.

Such amounts shall be paid into the general revenue account of the Government.

SECTION 16 FINANCIAL REPORTING AND CURRENCY

16.1 Accounting and Tax Matters.

All of the Company's accounting under this Agreement shall be in Dollars and all amounts paid or received, and obligations incurred or transactions carried out, in currency that is Liberian Currency or in any other currency other than Dollars shall be converted to Dollars in accordance with and pursuant to the financial reporting standard adopted by the Company pursuant to the requirements of Section 17.4 based upon the Prevailing Market Rate of Exchange of Dollars and any such currency at the date of the applicable transaction.

16.2 Exchange Control.

The Company shall at all times have the right, without restriction or penalty, directly or indirectly, to obtain, hold, deal with, remit, receive and disburse funds in such manner, currencies and places as it chooses in direct connection with its Operations. Without prejudice to the generality of the foregoing, the Company shall have the unrestricted and unencumbered right to sell and receive payment for Product(s) in any currency and all proceeds therefrom may be deposited in bank accounts outside of Liberia and held there or remitted therefrom to anywhere in the world, in any currency. Notwithstanding the foregoing, the Company shall maintain at least one account with a bank or financial institution in Liberia. The Company shall also have the right to acquire from, and sell to, any Person currency that is legal tender in Liberia at the Prevailing Market Rate of Exchange in direct connection with Operations.

16.3 Currency of Payments to the Government.

Except as otherwise expressly provided in this Agreement, payment of the Company's obligations to the Government under this Agreement, including obligations for Taxes and Duties payable as a consequence of Operations, shall be in Dollars. Any obligation originally stated in Liberian Currency shall be converted to Dollars at the Prevailing Market Rate of Exchange. The Company shall make payments of sums it collects on behalf of the Government, including, but not limited to, Taxes withheld from the salaries or wages of its employees, and any other sums payable to other Persons from which a portion is required by applicable Law (as modified by this Agreement) to be withheld or retained by it on behalf of the Government, in the currency in which such salaries or wages or such other sums are paid. For the purposes of determining compliance by the Company of required payments in Liberian Currency under any applicable Law (including without limitation any Law determining minimum wages) the amount of any payment by the Company made in Dollars shall be converted to Liberian Currency at the Prevailing Market Rate of Exchange as of the date of payment.

16.4 Financial Statements and Audit.

- a. The Company shall deliver to the Government within 90 days after the end of each Financial Year of the Company:
 - i) a balance sheet of the Company as at the end of such year, and

- ii) statements of income, changes in shareholders' equity and cash flows of the Company for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, and certified by the chief financial officer of the Company as having been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") or generally accepted accounting principles as reflected in International Financial Reporting Standards as in effect from time to time in the European Union ("IFRS"), consistently applied except as otherwise noted.

- b. Such financial statements shall be accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP or IFRS, consistently applied except as otherwise noted, that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances.
- c. Each year's financial statements shall be accompanied by a certificate of the chief financial officer of the Company to the effect that during the Financial Year then ended the Company was in compliance with (i) Section 20.3, (ii) Section 20.4 (setting forth in such certificate the value of the ratio provided for in such Section as at the end of each quarter of such Financial Year) and (iii) Section 20.7 (or setting forth the extent of non-compliance at such time (if any) and the actions taken and being taken to remedy such non-compliance), and has made all deposits or contributions (if any) required by the closure management component of the Company's approved EMP.
- d. Each year's financial statements shall be accompanied by a listing of all transactions with Affiliates and Related Persons of the Company reflected in such financial statements, identifying the amount of the transaction, the Affiliate or Related Person involved, and the nature of the transaction, certified by the chief financial officer of the Company as being correct and complete. Transactions of the same type with the same entity that are individually immaterial may be aggregated rather than separately listed. The Company shall maintain contemporaneous documentation of each such transaction with any such Affiliate or Related Person evidencing the pricing of the transaction, including all documentation required by the Revenue Code or any regulations issued thereunder.
- e. Each year's financial statements shall be accompanied by certificate of the chief financial officer of the Company to the effect that (i) with respect to goods or services covered by any Pricing Agreement in effect during the relevant period, the Company's transfer prices during such year were computed in accordance with the requirements of such Pricing Agreement and (ii) with respect to goods or services sold or provided in a transaction between the Company and an Affiliate or a Related Person of the Company which are not covered by such Pricing Agreement, the prices thereof imposed during the relevant period were computed in accordance with Section 20.7.
- f. If the Minister of Finance determines that it is necessary for it to cause an independent review or audit the Company's records or books, the Company will

cooperate to provide the Government with copies of the information, books and records needed to complete the review or audit. If the Government nonetheless deems it necessary for any part of such audit to be performed outside of Liberia, the cost of associated travel will be borne by the Government except to the extent that the Company is unable to provide or procure the provisions of the information, books or records needed to complete the audit in Liberia, in which case the Company shall bear both the reasonable travel cost of a reasonable number of auditors selected by the Minister of Finance to travel to the place where such information, books and records may be obtained and their accommodation costs for a reasonable amount of time necessary to complete their review. The Government agrees that its requests for inspection of information, books or records outside of Liberia shall be reasonable and the justification thereof well-documented.

- g. Sections 6.1(i) and 11.1(c) of the Exploration Regulations or any equivalent provision under applicable Law shall apply to the Company.

16.5 Compliance with LEITI.

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

SECTION 17 INCIDENTAL RIGHTS AND OTHER MATTERS

17.1 Imports.

The Company may import and use directly for Operations, and subsequently export, any and all machinery, equipment, vehicles, supplies, consumable items, fuels, petroleum products, explosives and any other thing whatsoever reasonably required with respect to Operations. The Company shall at all times comply with applicable Law regarding the safe use, sale, disposal and security of fuels, petroleum products, and explosives.

17.2 Taxes on Resale of Imported Items.

The Company may sell, in Liberia, all imported items that are no longer needed for Operations, except that the Company may not sell explosives, gasoline or diesel within Liberia to third parties without the consent of the Government. If such imported items were exempted in all or part from Taxes and Duties on import into Liberia, then the Company shall upon their sale pay to the general revenue account of the Government those Taxes and Duties payable on such items under applicable Law in effect on the date of sale calculated on the basis of the fair market value of such items on the date of sale as determined in accordance with the Revenue Code and fulfill all formalities required by Law in connection with such sales provided that the Company shall be entitled to export from Liberia, exempt from all Taxes and Duties, any modules, plant, equipment, construction material, machinery, and light and heavy vehicles, spare parts as well as raw materials, intermediate inputs and consumables, including those items referred to in Exhibit 7 to this Agreement, that were previously imported in connection with the Operations which were exempt from any import tax.

17.3 Right to Export Minerals and Other Rights.

The Company (i) may, directly or through appropriate contractual arrangements, market and sell (at arm's length international market and competitive prices) the Product(s) obtained from Operations during the Term of the relevant Mining License to any Person in any country or state, subject in all cases to the provisions of this Agreement, and (ii) subject to

its obligations to pay Royalty, Taxes and Duties and other amounts due to the Government under this Agreement, may receive all income and proceeds from such sales and deposit them in banks within Liberia and outside of Liberia of its own choosing, provided that notice has been given by the Company to the Central Bank of Liberia of its choice of external bank and approval thereof by the Central Bank of Liberia has been obtained, if such approval is required under applicable Law.

17.4 Dealership Licenses.

The Company is not entitled to acquire a dealership license under the Mining Law. This restriction does not bar an Affiliate of the Company from acquiring such a license if the Affiliate does not purchase Minerals or Products from the Company.

SECTION 18 ADDITIONAL UNDERTAKINGS OF THE GOVERNMENT

18.1 Access to Information

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

18.2 Provision of Documents.

Subject to Section 11.1 and except to the extent any such Person may be disqualified by applicable Law, the Government shall promptly furnish to each officer, director, employee and consultant of the Company, or of its Affiliates, contractors and subcontractors, who is not a citizen of Liberia, and to the spouse and minor children of each such Person, all documents and visas necessary to enable such Person to enter and to leave, or travel within, the territory of Liberia.

18.3 Electricity Generation and Transmission.

- a. The Company shall provide in its Feasibility Report for the installation of electric generating capacity to meet its reasonable needs for conducting Operations in Liberia and to comply with its obligations under Section 19.3(b), and in connection therewith, to construct necessary Infrastructure, provided that any proposed installation of hydropower capacity shall have the prior approval of the Minister and may not be approved unless sized to utilize the optimal energy potential of the hydropower resources involved, as reasonably determined by the Minister after consultation with internationally recognized hydropower consultants. In all cases, the Company will be subject to, and agrees to comply with, the requirements of any applicable Law regulating the manner in which any such facilities shall be constructed, operated, maintained, repaired or expanded for the safety of the public or protection of the environment.
- b. The parties acknowledge that the Power Plant shall be designed to generate a quantity of electric energy in excess of the electric energy required by the Company for Operations to supply third party users located within a 10 km radius thereof on a 7 days per week, 24 hours per days basis in accordance with third party user demand from time to time. The Company may charge residential users reasonable rates for their power usage based upon their ability to pay. The Company may charge businesses commercially reasonable rates for their power usage. The Company shall provide electric power free of charge to non-profit organizations and Government agencies.

- c. To the extent that the electrical energy generated by the Power Plant is used by the Company in connection with Operations or is (with respect to excess energy only) sold to third parties in the manner provided in Section 19.3(b), the Company shall have no liability for any franchise, license or similar fees otherwise imposed by applicable Law on or in connection with the generation or transmission of electricity. All sales to third parties will be subject to any applicable taxes or fees imposed by applicable Law relating to the sale of electricity, including any service tax, and the Company shall be entitled to recover from such third parties an amount equal to the amount any such taxes or fees to the extent assessed against the Company.
- d. The Power Plant shall also be designed and constructed so that it can be expanded on a commercially feasible basis to have twice the electricity generating capacity necessary to service Operations.

18.4 Communications Facilities, Systems and Frequencies.

The Government will use its reasonable efforts to facilitate:

- a. the receipt by the Company from the Government of such rights, licenses, registrations, permits and other authorizations as may be required by applicable Law in connection with the possession, use, importation or purchase of such communications systems as are necessary for internal communications, including radio, telecommunications, electronic mail systems, satellite networks, cellular systems, microwave devices and other communications devices and systems subject to the compliance by the Company with the requirements of applicable Law in connection with the receipt of such rights, licenses, registrations, permits and other authorizations; and
- b. to the extent available from the Government, the obtaining by the Company of the right to utilize, at generally available rates, of such number of broadcast and communications frequencies for domestic and international use as may reasonably be required for Operations.

18.5 Right to Water.

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

18.6 Peaceful Enjoyment.

The Government hereby warrants and defends the Company's title to, possession and peaceful enjoyment of, all rights granted to it by the Government under this Agreement, including its right to all Land and property in Liberia in accordance with applicable Law, provided, that the Government shall have no obligations with respect to any claims that may arise out of rights of third parties with respect to Land as to which the Company has acquired rights pursuant to Section 7.1 or Section 7.3(a).

18.7 Expropriation and Non-Discrimination.

Subject to Article 24 of the Constitution of Liberia, the Government undertakes that it shall not, by direct or indirect means, nationalize or expropriate, except (a) pursuant to a public purpose and under the process of law, (b) on a non-discriminatory basis, and (c) upon payment of prompt, just and adequate compensation based on fair market value:

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

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

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

- a. The Company may purchase services from public utilities and other facilities (such as toll bridges, airports and port facilities) operated or provided by the Government, or by any other Person under license or authority of the Government, to the extent adequate (after taking into account the public use thereof and the Company's obligations under Sections 6.6, 6.7 and 19.3 as determined in the reasonable judgment of the Government to meet the Company's needs with respect to Operations. The Government shall ensure that all charges for, and other terms and conditions of, the use by the Company of public infrastructure are fair and reasonable, taking into account the cost of providing such infrastructure and the relative availability of alternatives to the Company and to other users of such infrastructure. The Government may limit the access of the Company to any such infrastructure to the extent necessary to meet the demands of the general public, but in any such case of insufficient capacity to provide for the needs of both the general public and the Company (and users similarly situated with the Company), the Minister and the Company (and such similarly situated users) shall in good faith consider how additional capacity can be provided in a manner that fairly allocates the additional costs of providing and operating capacity in excess of that required by the general public to the Company (and others similarly situated).
- b. The Government shall use its reasonable efforts to assist the Company to integrate any item of Infrastructure acquired or constructed by the Company under an approved Feasibility Report with similar existing public utilities or facilities operated or provided by the Government, or by any other Person under license or authority of the Government, to the extent required by the Company and to the extent reasonable in connection with Operations and consistent with the needs of the general public.
- c. The Government reserves the right (either directly or through such state owned or controlled corporations or entities as are permitted by applicable Law to exercise

such a right), on reasonable notice to the Company, after consultation with the Company and subject to the Company's prior written consent if, in the reasonable opinion of the Company, any of the following actions are likely to substantially interfere with the efficient and economic conduct of Operations, to construct roads, highways, railroads, power, telegraph and telephone lines and other lines of communication within the Exploration Area or the Production Areas if such action is in the public interest. The Government will take account of the reasonable concerns of the Company, and seek to minimize any disruption or interruption to the conduct of Operations. In the event of unavoidable disruption or interruption to Operations in a Production Area attributable to such construction, the Company is entitled only to compensation for any verifiable direct, out of pocket additional costs incurred by the Company and attributable to such disruption or interruption. The Government shall indemnify and hold harmless the Company from all claims by third parties for damages attributable to the negligence or misconduct of the Government or contractors retained by the Government in connection with such construction.

18.9 Right to Approvals.

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

18.10 Further Undertakings.

- a. The Government undertakes that the contributions and payments set out in Section 8.2, Section 11.3, Section 16.1, Section 16.5, and Section 16.7 are the exclusive and only payments to be made during the Term with respect to the matters addressed in those Sections.
- b. The Government undertakes that to the extent that there are any future amendments, additions, revisions, modifications or other changes to any Law applicable to the Company or its Affiliates in relation to Operations that would have the effect of imposing an additional material obligation on the Company or its Affiliates with respect to the matters addressed in this Agreement (which are not otherwise subject to Section 19.10(a)):
 - i) the parties shall agree appropriate transitional arrangements that will apply to the Company and/or its Affiliates in relation to the introduction of the relevant Law or changes to Law to provide the Company and/or its Affiliates with a reasonable period of time for the purposes of ensuring compliance with such Law or changes to Law; and
 - ii) if the relevant new Law or change in Law results in a delay of more than 30 days in Operations as a consequence of the Company ensuring compliance with such new Law or change in Law, the Company shall notify the Government of such delay (giving reasons for the delay and details of the work required to be undertaken by the Company to ensure compliance with the new Law or change in Law) and the period of time reasonably required by the Company to ensure compliance. To the extent the Company requires an extension to the period of time for Exploration, the time for the designation of a Proposed Production Area or the time for filing a Feasibility

Report (as the case may be) it may request an extension of time from the Government equivalent to the period of delay resulting from the work to be undertaken by the Company to ensure compliance with the new Law or change in Law, and the Government shall not unreasonably withhold its consent to such extension. If Company believes that the Government has unreasonably withheld its consent to an extension of time or the parties cannot agree the period of a required extension, the matter shall be referred to a single arbitrator as provided by Section 27.4.

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

18.11 Status of this Agreement.

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

SECTION 19 OTHER UNDERTAKINGS OF THE COMPANY

19.1 Indemnification of the Government by the Company.

- a. The Company shall indemnify and hold harmless the Government and its officers and agents from all losses and liabilities incurred as a direct consequence of death or injury to Persons or damage to property directly resulting from the conduct by the Company, including for this purpose the conduct of any contractor described in Section 6.3(f), of its Operations provided that:
 - i) the Government shall notify the Company promptly of any suit, action, proceedings, claims, investigations and negotiations made against the Government or its officers or agents in respect of this Section 20.1 (a “Third Party Government Claim”);
 - ii) the Government shall have the right and, in respect of any claims relating to its officers or agents in respect of which an indemnity under this Section 20.1 is sought, shall be required, to conduct in diligent and timely manner all suits, actions, proceedings, claims, investigations and negotiations relating to any matter referred to in this Section 20.1;
 - iii) in the conduct of any Third Party Government Claim, the Government shall:
 - (A) if so required by the Company, take all such steps or proceedings as the Company may reasonably require including steps to avoid, dispute, resist, mitigate, compromise, defend or appeal against any such Third Party Government Claim (provided that such steps or proceedings shall be taken at the Company 's cost and expense);

- (B) provide the Company with all such information and reports concerning any such Third Party Government Claim and any steps or proceedings taken by the Government as the Company may from time to time reasonably request; and
 - (C) not agree to settle and/or settle any such Third Party Government Claim without prior written consent of the Company (such consent not to be unreasonably withheld).
- b. For the avoidance of doubt, this Section 20.1 shall apply in substitution of Section 8.9 of the Exploration Regulations or any equivalent provision under applicable Law, which shall not apply to the Company.

19.2 Books and Records.

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

19.3 Subsidiaries; Investments.

- a. The Company may not have Subsidiaries other than wholly-owned Liberian Subsidiaries that only engage in activities in support of the Operations of the Company under this Agreement, provided that the Government, for Taxation purposes, may consolidate such Subsidiaries and the Company.
- b. Except as permitted by Section 20.3(a), the Company may not make or hold any investment in any other Person unless such Person carries on activities in support of the Operations of the Company under this Agreement. For the purposes of this Section 20.3, an “investment” includes any investment, made in cash or by delivery of property, by the Company in any Person, whether by acquisition of stock, indebtedness or other obligation or security of any Person, or by loan, guarantee, advance, capital contribution or otherwise in favor of any Person, or in any property other than property acquired in carrying out a Development Plan embedded in an approved Feasibility Report. This Section does not limit the ability of the Company to invest excess funds in debt instruments, money market funds, or similar obligations issued (in each case) by entities that are not Affiliates of the Company, or to make reasonable prepayments and progress payments in connection with the construction of any Mine, Mining Plant and Infrastructure, nor does it prevent the sale by the Company of any Products or property used in connection with its Operations to which a Lien may attach.

19.4 Adequate Capital.

- a. After the issuance of a Mining License to the Company under this Agreement and prior to the satisfaction of the capacity demonstration test required by Section 6.2, the Company shall maintain a ratio of Indebtedness to Net Worth that is equal to or lower than 3:1, and may make no Restricted Payment.
- b. After satisfaction of the capacity demonstration test required by Section 6.2, the Company may make no Restricted Payment unless after giving effect thereto, the ratio of Indebtedness to Net Worth of the Company does not exceed 3:1. For purposes of this Section 20.4, the amount of any Restricted Payment made in property is be the greater of (x) the fair market value of such property (as determined in good faith by the board of directors of the Company) and (y) the net book value

thereof on the books of the Company, in each case determined as of the date on which such payment is made.

- c. “Indebtedness” means, at any time, without duplication:
- i) the liabilities of the Company for borrowed money and the redemption obligations of the Company in respect of mandatorily redeemable shares or other securities of the Company that are entitled to preference or priority over any other shares of the capital stock of such corporation in respect of payment of dividends or distribution of assets upon liquidation;
 - ii) the liabilities of the Company for the deferred purchase price of property acquired by the Company (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);
 - iii) all liabilities appearing on the Company’s balance sheet in accordance with GAAP or IFRS, as applicable under Section 17.4(a) in respect of leases with respect to which the Company is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP or IFRS, as applicable under Section 17.4(a);
 - iv) all liabilities for borrowed money secured by any Lien (whether or not the Company has assumed or otherwise become liable for such liabilities);
 - v) all liabilities of the Company in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions representing or supporting the payment of obligations referred to in clauses (i) through (iv) hereof; and
 - vi) any guarantee or similar undertaking of the Company appearing on the Company’s balance sheet or noted in its accounts in accordance with GAAP or IFRS, as applicable under Section 17.4(a), with respect to liabilities of a type described in any of clauses (i) through (v) hereof.

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

- d. “Restricted Payment” means (i) any dividends or other distributions or payments on capital stock or other equity interest of the Company (except distributions in such stock or other equity interest); and the redemption or acquisition of any stock or other equity interests in the Company or of warrants, rights or other options to purchase such stock or other equity interests (except when solely in exchange for such stock or other equity interests) unless made, contemporaneously, from the net proceeds of a sale of such stock or other equity interests, including, without limitation, any such action resulting in the acquisition by the Company of securities that would constitute treasury stock, and (ii) any payment, repayment, redemption, retirement, repurchase or other acquisition, direct or indirect, by the Company of, on account of, or in respect of, the principal of any subordinated debt (or any

installment thereof) held by the Company, any shareholder of the Company, any Affiliate of the Company, or any Affiliate of either.

- e. Subject to Section 20.4(a), the deductibility or other treatment of any interest payments by the Company for purposes of Taxes and Duties shall be governed by the Revenue Code, Section 14 and Exhibit 3 and shall be unaffected by this Section 20.4.

19.5 Provision of Funds and Technical Capability.

The Company shall ensure:

- a. that it has a prudent capital structure and is provided with adequate funds as and when needed to ensure timely Development and performance of Operations in accordance with and within the limits defined in the approved Feasibility Report and compliance with the requirements of Section 20.4; and
- b. that it has directly or indirectly the technical skills and experience to carry out its obligations under this Agreement, the Exploration License and each Mining License.

19.6 Guarantees.

- a. Within five Business Days following the Effective Date, the Company shall provide the Government an executed guarantee (the "Exploration Guarantee") from Mining Holding Company LLC (the "Exploration Guarantor"), in the form attached as Exhibit 2 hereto, guaranteeing the obligations of the Company under Section 10.1 of the Exploration Regulations, and the amount of any such Exploration Guarantee shall be equal to the amount in U.S. Dollars equal to 15% of the Approved Work Program. At all times the Exploration Guarantor shall have a Net Worth (by reference to the Net Worth in its latest balance sheet (which balance sheet shall be certified by the chief financial officer of such entity as being true and correct in all material respects)) which is greater than or equal to US\$ 10,000,000 (the "Exploration Guarantor Net Worth Requirements"). The Company represents that Mining Holding Company LLC is an entity that is duly formed and validly existing under the Laws of the jurisdiction of its formation and that, as of the date of the execution of this Agreement, Mining Holding Company LLC has a Net Worth in excess of US\$1,000,000,000.
- b. In the event that the Company is at any time not in compliance with its obligations under Section 6.6, the Company immediately shall provide the Government an executed guarantee (the "Mining Guarantee") from an Affiliate of the Company (the "Mining Guarantor") which has a Net Worth (by reference to the Net Worth in the relevant entity's latest balance sheet (which balance sheet shall be certified by the chief financial officer of such entity as being true and correct in all material respects)) which is equal to or greater than US\$100,000,000 (the "Mining Guarantor Net Worth Requirements"), in the form attached as Exhibit 2 hereto, guaranteeing the obligations of the Company under Sections 6.2 and 20.5(a). This provision shall not preclude the Government from pursuing other remedies to which it is entitled under this Agreement.
- c. Section 10.3 of the Exploration Regulations or any other provision under applicable Law relating to the provision of security in connection with the grant of an Exploration license or a Mining license shall not apply. To the extent that there is

any inconsistency between the Laws relating to the matters set out in this Section 20.6 (whether in effect at the Effective Date or enacted thereafter) and this Agreement, this Agreement shall prevail.

- d. The Exploration Guarantee, the Environmental Restoration Obligations Guarantee (if applicable) and the Mining Guarantee (if applicable) shall remain in effect following termination of this Agreement.

19.7 Transactions with Related Persons.

The Company will not enter into directly or indirectly any transaction or group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate or Related Person of the Company, except in the ordinary course and pursuant to the reasonable requirements of the Company's business and upon fair and reasonable terms no less favorable to the Company than would be obtainable in a comparable arm's length transaction with a Person not an Affiliate or a Related Person.

19.8 The Company.

At all times during the Term, (i) the Company shall be a corporation organized under the laws of Liberia, (ii) none of the Affiliates, directors, officers or other Persons described in Section 21.1(c) (whether or not listed on Schedule 5) may be a Prohibited Person, (iii) the Company shall be an "Eligible Applicant" under the Mining Law and (iv) no officer or director of the Company may be a Person described in Sections 4.2(a), (d), (f) or (g) of the Mining Law. The Company shall notify the Government of any Transfer of any ownership interest in the Company or in any Person which Controls the Company (other than in respect of any Excluded Holding Company and any Person whose shares are publicly listed on a stock exchange having reporting and disclosure requirements substantially similar to those imposed in any of the leading international stock exchanges) within 30 days following such Transfer unless such Transfer otherwise requires notice to, or approval by, the Government pursuant to Section 23. Such notice shall be accompanied by the certification of the chief executive officer of the Company that, immediately after giving effect to such Transfer, the Company is in compliance with the requirements of Section 20.5 and Section 21.1(d) (as updated) and updating the information required by Section 21.1(c).

SECTION 20 REPRESENTATIONS AND WARRANTIES

20.1 Representations and Warranties of the Company.

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

- a. The Company is a corporation duly organized, validly existing and in good standing under the laws of Liberia, and has the corporate power and authority to execute, deliver and perform its obligations under this Agreement.
- b. This Agreement has been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity

(regardless of whether such enforceability is considered in a proceeding in equity or at law).

- c. Schedule 5 contains (except as otherwise noted) complete and correct lists or tables setting forth:
- i) the Company's shareholders;
 - ii) the Company's Affiliates showing forth, in each case, its relationship to the Company and the jurisdiction in which it is organized;
 - iii) the directors and senior officers of the Company, each shareholder of the Company, and each Person deemed to Control the Company, and

each Person that is the ultimate beneficial owner of 5% or more of (x) the voting rights ordinarily empowered to control the management of the Company or (y) the rights to share in the profits of the Company, and the chain through which such rights are exercised.

- d. None of the Affiliates, directors, officers or other Persons identified in Schedule 5 is a Prohibited Person. The Company is an "Eligible Applicant" under the Mining Law and no officer or director of the Company is a Person described in Sections 4.2(a), (d), (f) or (g) of the Mining Law.
- e. The execution, delivery and performance by the Company of this Agreement will not (i) contravene, result in any breach of, or constitute a default under, any agreement or instrument to which the Company is a party or by which it or any of its properties are bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or governmental authority, applicable to the Company or (iii) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Company.
- f. There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened, against or affecting the Company or any property of the Company in any court or before any arbitrator of any kind or before or by any governmental authority that call into question the right of the Company to enter into and perform its obligations under this Agreement or that, if resolved against the Company, would materially adversely affect its ability to perform its obligations under this Agreement.
- g. Except as has previously been disclosed to the Minister and the EPA in writing each of:
- i) the Company; and
 - ii) the Company's Affiliates (other than Affiliates that are Controlled by an Affiliate listed on the New York or London stock exchanges, as to which no representation is made herein),

has not been determined under any order, judgment, decree or ruling of any court, arbitrator or governmental authority to be in material violation of (i) any applicable law, ordinance, rule or regulation relating to the protection of the environment of any

governmental authority or (ii) any agreement pursuant to which it is entitled to extract Minerals or hydrocarbons under the laws of any jurisdiction.

- h. The Company has, or has the means to access, the experience, finance, expertise, technical know-how and systems required for the conduct of the activities contemplated by this Agreement.
- i. None of the Company, any Affiliate of the Company or any Person acting on behalf of the Company or any Affiliate of the Company has made or promised to make any payment or transfer of anything of value, directly or indirectly, to or for the benefit of an Official or an Official's family member or to an intermediary for payment to or for the benefit of an Official or an Official's family member in connection with this Agreement or the transactions contemplated hereby. (For the purposes of this paragraph, "Official" means (i) any employee or officer of the Government, including any regional or local department or agency or instrumentality thereof, (ii) any employee or officer of any enterprise owned or controlled by the Government, (iii) any official of a political party in Liberia, (iv) any official or employee of a public international organization, (v) any other person acting in an official capacity for, or on behalf of, any of the entities described in clauses (i) through (iv), or (vi) any candidate for political office in Liberia.)

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

20.2 Representations and Warranties of the Government.

The Government represents and warrants to the Company that on the Effective Date, the execution, delivery and performance of this Agreement will have received all necessary governmental approvals and authorizations and will constitute the legal, valid and binding obligation of the Government.

SECTION 21 CONFIDENTIALITY

21.1 The Agreement.

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

21.2 Other Information.

- a. Subject to the limitations set out in Section 22.2(b) and subject to Section 22.1, for a period of three years from disclosure, each party agrees not to divulge information designated in writing by the other party at the time of delivery as confidential information or which relates to the Company's Products, Operations, processes, plans or intentions, Product information, know-how, design rights, trade secrets, market opportunities and business and financial affairs ("Confidential Information") to any other Person without the prior written consent of the designating party. By designation of information as Confidential Information a party will be deemed to have represented that after review of such information it has reasonably determined

that the release of such information to third parties would materially adversely affect the party or its economic well-being.

- b. Confidential Information does not include information that:
- i) was publicly available or otherwise known to a party prior to the time of disclosure to it and not subject to a confidentiality obligation;
 - ii) subsequently becomes publicly known through no act or omission by a party;
 - iii) constitutes financial statements delivered to the Government under Section 17.4 that are otherwise publicly available;
 - iv) is of scientific rather than commercial value, such as geological and geophysical data relating to areas in which the Company no longer holds a valid Exploration License and has not designated as a Proposed Production Area; or
 - v) has been disclosed pursuant to generally applicable Law or a final order of any court having jurisdiction that is not subject to appeal.
- c. Each party will maintain the confidentiality of Confidential Information disclosed to it in a manner consistent with procedures adopted by such party to protect its own confidential information, provided that such party may deliver or disclose Confidential Information to:
- i) its Affiliates, and its Affiliates' financial, legal and other professional advisors of the party or its Affiliates (to the extent such disclosure reasonably relates to the administration of this Agreement); or
 - ii) any other Person to which such delivery or disclosure may be necessary or appropriate (A) to effect compliance with any law, rule, regulation or order applicable to such party, (B) in response to any subpoena or other legal process, (C) in connection with any litigation to which such party is a party if reasonably considered necessary to protect such party's position in such litigation or (D) if an Event of Default has occurred and is continuing but only to the extent such party reasonably determines such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under this Agreement.

SECTION 22 ASSIGNMENTS, TRANSFERS AND CHANGES OF CONTROL

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

22.1 General Transfer Rule

No Transfer of (1) this Agreement or a Mining License, or (2) any rights of the Company in a Mine or any Immovable Infrastructure (other than in the ordinary course of renewal and replacement of its properties and other than Transfers of Product(s) in the ordinary course of business) is permitted unless the Transfer (i) has received the prior written consent of the Government, which consent may be given or withheld in its sole discretion, or (ii) is otherwise permitted under the terms of Section 23.2, 23.3 or 23.6. Unless the Company has received the prior written consent of the Government, which consent may be given or

withheld in its sole discretion, the Company may not Transfer any Exploration License relating to the Exploration Area independently of a Transfer of this Agreement; any Transfer by the Company of all of this Agreement shall be deemed to include a Transfer of all rights of the Company under any such Exploration License.

22.2 Permitted Transfer to an Affiliate

- a. A Transfer of (1) this Agreement and each Mining License or Exploration License issued pursuant to this Agreement (if any), and (2) all rights of the Company in the Mine, Mining Plant, Infrastructure (i) to an Affiliate or (ii) as a consequence of a merger or consolidation of the Company with an Affiliate of the Company in which the Company is not the survivor, is permitted if:
- i) at the time of the consummation of such transaction the Company has not been notified by the Government that it is in material default in the performance of its obligations or the discharge of its liabilities under this Agreement (other than any obligations that have been waived by the Government or defaults that have been cured by the Company to the reasonable satisfaction of the Government) and no order suspending Work by the Company issued under Section 24 of this Agreement or Section 16 of the Exploration Regulations is outstanding and unresolved;
 - ii) such transaction is not otherwise in violation of applicable Law;
 - iii) such transaction does not result in a Change of Control; and
 - iv) the survivor or transferee, as the case may be, is (x) a corporation organized and validly subsisting under the laws of Liberia and (y) an “Eligible Applicant” under the Mining Law and a Permitted Transferee under Section 23.8, and delivers to the Minister, the Minister of Finance and the Chairman of the National Investment Commission prior to the consummation of such Transfer:
 - (A) its agreement, in the form of a deed of adherence to this Agreement or a novation of this Agreement, to assume and perform or discharge all of the obligations and liabilities of the Company under this Agreement and each Mining License;
 - (B) its written representations and warranties to the effect set forth in Section 21.1 stated to be true and correct as of a time immediately after giving effect to such Transfer;
 - (C) the confirmation of the Company, if it continues to exist following such transaction, that it remains liable for the performance and discharge of its obligations and liabilities under this Agreement and each such Mining License, unless otherwise agreed by the Minister; and
 - (D) the confirmation of the Guarantors that the Guarantees provided pursuant to Section 20.6, to the extent required, to apply to the survivor or transferee, as the case may be.
- b. Any failure by the Government to give notice to the Company in accordance with clause (i) of Section 23.2(a) shall not affect the Government’s rights and remedies

under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations, which have not been cured to the reasonable satisfaction of, or waived by, the Government.

22.3 Permitted Transfer to a Person not an Affiliate.

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

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

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

22.4 General Change of Control Rule.

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

22.5 Permitted Changes of Control.

- a. A Change of Control with respect to the Company is permitted if the Change of Control occurs solely by operation of a Transfer otherwise permitted under Section 23.3 or if:
 - i) at the time of the Change of Control the Company has not been notified by the Government that it is in material default in the performance of its obligations or the discharge of its liabilities under this Agreement (other than

any obligations that have been waived by the Government or defaults that have been cured by the Company to the reasonable satisfaction of the Government) and no order suspending Work by the Company issued under Section 24 of this Agreement or Section 16 of the Exploration Regulations is outstanding and unresolved;

- ii) the Company delivers to the Government prior to the Change of Control its written representations and warranties to the effect set forth in Section 21.1 stated to be true and correct as of a time immediately after giving effect to such Change of Control;
 - iii) the Company has demonstrated to the satisfaction of the Government, acting reasonably, prior to the Change of Control that after giving effect to the Change of Control it will have directly or indirectly the technical skills, experience and financial resources necessary (or could be reasonably expected to obtain the financial resources necessary as evidenced by a viable financing plan, which is supported by an appropriate commitment letter from any provider of finance) to carry out its obligations under this Agreement, each Exploration License and each Mining License; and
 - iv) prior to the Change of Control, either the Guarantors under the Guarantees issued pursuant to Section 20.6 have confirmed to the Minister of Finance in writing the continued effectiveness of the Guarantees notwithstanding the Change of Control or the Company has delivered to the Minister of Finance new Guarantees in the form and from an entity or entities required by Section 20.6 guaranteeing the specified obligations of the Company under this Agreement.
- b. If the Government objects to any Changes of Control on the basis that following such proposed Change of Control the Company would not satisfy the requirements specified in clause (iii) of Section 23.5(a), it shall notify in writing its objection to the Company, giving reasons therefor, within one month from the date it receives notification from the Company that it proposes to make a permitted Change of Control in accordance with this Section 23.5. If the Company has not received such notification from the Government within one month from the date the Government received its notification of a proposed permitted Change of Control, the Company shall be treated as having satisfied the requirements specified in clause (iii) of Section 23.5(a) following such Change of Control.
- c. Any failure by the Government to give notice to the Company in accordance with clause (i) of Section 23.5(a) shall not affect the Government's rights and remedies under this Agreement to the extent the Company was in default in a material respect in the performance of its obligations or the discharge of its liabilities under this Agreement or under the Exploration Regulations (as modified by this Agreement), which have not been cured to the reasonable satisfaction of, or waived by, the Government.
- d. If a Person who acquires Control is a wholly-owned subsidiary of a Person who has Control and such acquiring Person continues to have Control after such transaction then such transaction will not be treated as a Change of Control.

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

The Company may mortgage, charge or otherwise encumber (collectively, a “Mortgage”), in a single financing, all but not less than all of its interest under this Agreement and each Mining License as security for an obligation or indebtedness as contemplated by Section 9.18 of the Mining Law if such Mortgage also covers all right, title and interest of the Company in the Mine, Mining Plant, Infrastructure and related equipment (collectively with its rights under this Agreement and each such Mining License, the “Mortgaged Property”) and the holder of such Mortgage agrees in writing with the Minister prior to the granting of such Mortgage that it will cause a foreclosure or other exercise of remedies under such Mortgage against the rights of the Company in the Mortgaged Property to occur only if:

- a. the exercise of remedies results in a Transfer of 100% of the interest of the Company in the Mortgaged Property to a corporation other than the Company organized and validly subsisting under the laws of Liberia;
- b. the transferee delivers to the Minister, the Minister of Finance and the Chairman of the National Investment Commission prior to such Transfer
 - i) its agreement, in form and substance reasonably satisfactory to the Minister, the Minister of Finance and the Chairman of the National Investment Commission to assume and perform or discharge all of the obligations and liabilities of the Company under this Agreement and each such Mining License;
 - ii) evidence that all required consents or approvals of the EPA and any other agencies of the Government to the grant of such Mortgage have been obtained; and
 - iii) its written representations and warranties to the effect set forth in Section 21.1 stated to be true and correct as of a time immediately after giving effect to such Transfer;
- c. the transferee has demonstrated prior to such Transfer to the reasonable satisfaction of the Minister, the Minister of Finance and the Chairman of the National Investment Commission that it has the technical skills, experience, and financial resources necessary to carry out its obligations under this Agreement and, where relevant, each Mining License; and
- d. all outstanding failures of the Company to make any payments due to the Government under this Agreement have been cured at the time of such Transfer (including a failure to pay royalties due but excluding any failure to pay taxes due on income or profits), and the transferee has undertaken to cure all other defaults of the Company then existing (to the extent they can be cured by an entity other than the Company) within 270 days of the date of the transfer.

Any exercise of remedies under a Mortgage in compliance by such holder in accordance with the requirements set forth in this Section 23.6 is both a permitted Transfer and a permitted Change of Control.

If requested, the Minister, acting on behalf of the Government, will enter into an agreement with any such holder embodying the terms of this Section 23.6 at the time any such Mortgage is granted.

Notwithstanding the foregoing provisions of this Section 23.6, the Company may grant purchase money security interests in any Movable property owned by it. Any other partial assignment shall be subject to the Government's prior written approval.

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

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

22.8 Permitted Transferee.

A "Permitted Transferee" is a Person permitted to hold a Mining License under the Mining Law who (i) is not a Prohibited Person, does not have an officer or director who is a Prohibited Person, and is not controlled by a Prohibited Person, and (ii) as to which no Person or Persons holding in the aggregate (x) in excess of 5% of the voting rights ordinarily empowered to control the management of such Person or (y) in excess of 5% of the rights to share in the profits of such Person is or are Prohibited Persons. A "Prohibited Person" is a Person identified as such in regulations issued under the authority of the Ministry of Finance and the Ministry of Justice and applicable to the holders of licenses issued under the Mining Law. Pending the issuance of such regulations, a "Prohibited Person" is a Person:

- a. who is identified on any of the following lists maintained by the United States government: (1) the United States Department of Commerce Denied Persons list (located at <http://www.bis.doc.gov/dpl/thedeniallist.asp>) and Entity list (located at <http://www.bis.doc.gov/entities/default.htm>); (2) the United States Department of the Treasury Specially Designated Nationals and Blocked Persons lists (both-located at <http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>); (3) United States Department of State Foreign Terrorist Organizations list (located at <http://www.state.gov/s/ct/rls/other/des/123085.htm>) or Debarred Parties list (located at <http://www.pmdt.state.gov/compliance/debar.html>); or (4) the Financial Action Task Force on Money Laundering list of non-cooperative countries or territories (located at http://www.oecd.org/document/57/0,3343,en_2649_201185_1900665_1_1_1_1,00.html), or

who is identified on the European Union Sanctions list (http://ec.europa.eu/external_relations/cfsp/sanctions/list/consol-list.htm); or

- b. who is identified on a Sanctions List published by a Sanctions Committee of the United Nations Security Council; or

who is (i) identified on the Interpol Red Notice List (<http://www.interpol.int/Public/Wanted/Search/Form.asp>); or (ii) the subject of an arrest warrant issued by the International Criminal Court; or

- c. who is identified on the World Bank ineligible firms list (<http://web.worldbank.org/external/default/main?>

[theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989
&piPK=64148984](http://theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984)).

“Prohibited Person” also includes any Person that issues bearer shares or other instruments to evidence ownership of such Person that do not permit the identification of the owners of such Person.

22.9 Responsibility of Licensee.

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

22.10 Disclosure; Consents; Exceptions; Fees.

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

22.11 Terms used in Section 23.

For the purpose of this Section 23 a “Controlling Person” is a Person who Controls the Company; and if a trust or other entity holds the rights to share in the profits of a Person, the beneficiaries of such trust are deemed to hold the rights to share in the profits of that Person.

SECTION 23 SUSPENSION

23.1 Power of Minister to Suspend Work.

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

- a. the Company did not pay a surface rent payment when due and the failure is not cured within 15 days after the Company receives notice of the failure from the Minister or the Minister of Finance; or
- b. the Minister has determined that continuation of such Operations would constitute a material continuing violation of Section 9.1 or would otherwise pose significant risks to the health and safety of workers engaged in or affected by such Operations or of individuals residing in or near any Production Area or any other area in which the Company is conducting Operations; or
- c. an environmental assessment and audit under Section 13 has demonstrated, or the Minister or the EPA, as the case may be, has determined (acting reasonably) that there exist material failures to comply with the approved EMP and the Company has not remedied such failures to the satisfaction of the Minister or the EPA (acting reasonably), as the case may be, within 90 days from notice to the Company from either of them as to the nature of such failures; or
- d. the Company is in violation of Section 6.3(b) (other than an isolated immaterial violation); or
- e. the Company is extracting Minerals outside of the Production Area that is the subject of such Mining License; or
- f. the Company is in breach of any its obligations under Section 20.4 or Section 20.8 and has not cured such breach within 90 days after receiving notice from the Minister of such breach; or
- g. the Company is in material breach of any its obligations under Section 17.4 or Section 20.3 and has not cured such breach within 90 days after receiving notice from the Minister of such breach; or
- h. the Company is in default of its obligation to pay Royalties under Section 15.1 in excess of US\$100,000, and such default has not been cured within 30 days after notice from the Minister or the Minister of Finance.

23.2 Order Suspending Work.

Except as provided in the following sentence, a suspension order shall be in writing and signed by the Minister, and will be effective the Business Day following its receipt by the Company at its address for notices, or, if delivered to the person in charge at a field office or other location at which the Operations to be suspended are being performed, is effective on delivery. An order of suspension based on a violation of Section 9.1 that has resulted in (or is determined by the Minister to create a serious risk of resulting in) death or severe personal injury may be given by telephone confirmed in writing within 24 hours, and is effective immediately. Any suspension order (except a telephone order under the preceding sentence) shall set forth in a summary manner the facts relied upon for the issuance of the order and the name, location and telephone number of a responsible person at the Ministry (or the Ministry of Finance, as the case may be) who may be contacted for additional information. Subject to Section 24.5, neither the Company's payment obligations under nor the term of this Agreement or the term of the relevant Mining License are suspended by an order of suspension under this Section.

23.3 Compliance with Suspension Order.

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

23.4 Resumption of Work.

The Company may at any time submit a request that a suspension order be withdrawn, setting forth in reasonable detail the facts and circumstances relied upon to demonstrate the elimination or correction of the event or condition that supported the issuance of the order. The Minister shall withdraw the order if the event or condition no longer exists or has been remedied to the satisfaction of the Minister, acting reasonably. If within ten Business Days of receiving such submission the Minister neither grants such request nor notifies the Company of the reasons for not granting such request, the order involved will be deemed withdrawn. If within five Business Days of receiving a resubmitted request for withdrawal of the same order, the Minister does not either grant such request or give notice to the Company setting forth reasons for not granting such request, the order involved will be deemed withdrawn. The initial and each subsequent resubmission (if any) shall be conspicuously marked to show all changes (additions and deletions) from the previous submission.

23.5 Suspension Order Incorrectly Given.

In the event that the Government issues an order of suspension and the Company disputes the existence of a breach or otherwise disputes the validity of such an order, any dispute shall be resolved in the manner set out in Section 27. In the event that an arbitral award determines that the suspension order was incorrectly given, the Company shall, as the case may be, (i) obtain an extension of time equivalent to the amount of time the suspension order was in effect in relation to the time for Exploration, the time for the designation of a Proposed Production Area and the time for filing a Feasibility Report or (ii) if it has been determined that a Company Event of Default under Section 25.2(e) is directly attributable to the incorrectly given order, be excused from such Company Event of Default for a period reasonably necessary to cure such Company Event of Default.

SECTION 24 EVENTS OF DEFAULT; TERMINATION

24.1 Government Events of Default.

A “Government Event of Default” shall exist:

- a. if (i) the Government shall have failed to comply with its material obligations under this Agreement and such failure has had a Material Adverse Effect on the Company, (ii) such failure is continuing for more than 90 days after the Company notifies the Government of such failure and (iii) within such 90 day period the Government has not cured the adverse impact of such failure; or
- b. any representation or warranty of the Government continued in Section 21.2 proves to be false or incorrect in any material respect on the date as of which made.

24.2 Company Events of Default.

A “Company Event of Default” shall have occurred if any of the following conditions or events shall occur and be continuing:

- a. the Company shall have failed to make any payment of surface rent and, subject to Section 25.3, such failure not cured within 15 days of notice from the Minister or the Minister of Finance;
- b. the Company shall have failed to make any other payment due under this Agreement, the Exploration Regulations, any Mining License issued pursuant to this Agreement or any undertaking of the Company provided for in this Agreement and, subject to Section 25.3, such failure is not cured within 30 days of notice from the Minister or the Minister of Finance; or
- c. the Exploration Guarantor or the Mining Guarantor (if applicable) shall revoke the Exploration Guarantee or the Mining Guarantee, as applicable, and the applicable Guarantor shall no longer satisfy the applicable Guarantor Net Worth Requirements and the Company shall have failed to provide a replacement Exploration Guarantee or Mining Guarantee (if applicable) provided by a Person which meets the applicable Guarantor Net Worth Requirements within 90 days after receipt of notice thereof from the Minister or the guarantor under Environmental Restoration Obligations Guarantee is no longer an Acceptable Third Party Financial Institution and the Company shall have failed to provide a replacement guarantor in accordance with Section 5.5(c); or
- d. any representation or warranty of the Company contained in Section 21.1 or Section 20.6(a) proves to have been false or incorrect in any material respect on the date as of which made; or
- e. the Company shall default in the performance of any other material obligation of the Company under this Agreement, any Mining License, the Environmental Restoration Obligations Funding Agreement (if applicable) or any undertaking of the Company provided for in this Agreement and shall have failed to cure such default within 60 days after notice thereof from the Minister (from the Minister of Finance, in the case of a failure to pay any Taxes and Duties within the grace period provided by applicable Law); or
- f. the Company shall (i) voluntarily make an assignment of all or substantially all of its assets for the benefit of creditors other than an assignment made to secure indebtedness incurred in the ordinary course of business, (ii) file a petition or application to any tribunal for the appointment of a trustee or receiver for all or any substantial part of its assets, (iii) commence any proceedings for its bankruptcy, reorganization, arrangement (other than a scheme of arrangement not involving an insolvent company) or insolvency under any laws applicable it whether now or hereafter in effect, or if any such petition or application is filed, or any such proceedings are commenced against it, indicate its approval thereof, consent thereto or acquiescence therein, or (iv) if any order is entered appointing any such trustee or receiver, or adjudicating it bankrupt or insolvent, or approving the petition in any such proceedings, permit such order to remain in effect for more than 90 days.

24.3 Disputed Payments.

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

24.4 Nature of Notice of Default.

Any notice of an alleged Event of Default by either party shall identify with reasonable clarity the principal provision or provisions with respect to which the default arises and the facts alleged to constitute such default.

24.5 Notice of Termination; Termination When a Mortgage Exists; Arbitration of Disputes as to Existence of Event of Default.

- a. If an Event of Default with respect to a party has occurred and is continuing, the other party may give the defaulting party notice of termination (a “Termination Notice”). This Agreement and each Exploration License or Mining License shall terminate 60 days after receipt of the Termination Notice by the defaulting party (or at such later time as may be provided in the Termination Notice), subject to Sections 25.5(b) and (c), provided that if the defaulting party cures the Event of Default in respect of which a Termination Notice has been served prior to the termination of this Agreement in accordance with this Section 25.5, the Termination Notice shall be automatically revoked and shall have no effect and neither this Agreement nor any Exploration License or Mining License issued under this Agreement shall terminate.
- b. If a Mortgage permitted under Section 23.6 exists, the Termination Notice will not be effective so long as the Company, the holder of the Mortgage and the responsible officer of any relevant tribunal referred to in Section 25.2(f) are diligently seeking to transfer the rights and obligations of the Company under this Agreement, any Mining License, the Mine and substantially all of the Mining Plant, Infrastructure and related property of the Company to a transferee that would be permitted under Section 23 so long as (i) such a transfer is completed within 18 months from the commencement of such proceedings, (ii) the operations of the Company continue on a commercial scale throughout such period (subject to Force Majeure) in substantial compliance with the requirements of this Agreement and the relevant Mining License, and (iii) the Company becomes and remains in compliance with its EMP and its payment obligations under this Agreement.
- c. Any dispute relating to the existence of an Event of Default, its remedy and any purported termination in connection therewith pursuant to this Section 25 shall be resolved in the manner set out in Section 28. If a party asserts the existence of an Event of Default and the other party refers to arbitration in accordance with Section 27 a dispute as to the existence of such Event of Default, termination of this

Agreement may not take effect other than after the finality of, and in accordance with, an arbitration award upholding the existence of such Event of Default. In the event that an arbitration award upholds the existence of such Event of Default, the party in default shall be entitled to cure the default in accordance with the relevant cure period specified in this Section 25. Failure to cure the default within such period shall entitle the non-defaulting party to terminate this Agreement in accordance with Section 25.5(a). The Company shall reimburse the Government for all expenses incurred by it in connection with arbitration held pursuant to this Section 25.5(c) if the Government's determination that a Company Event of Default exists is upheld in the arbitration. The Government shall reimburse the Company for all expenses incurred by it in connection with arbitration held pursuant to this Section 25.5(c) if the Company's determination that a Government Event of Default exists is upheld in the arbitration. For the avoidance of doubt, Section 18 of the Exploration Regulations or any other equivalent provision under applicable Law shall not apply.

24.6 Automatic Termination.

If, at any time during the Term:

- a. the Company has no remaining Exploration Licenses or Mining Licenses and is not awaiting the issuance of a Mining License pursuant to Section 5.7(g); or
- b. no Proposed Production Area has been designated by the Company pursuant to Section 5.1(a) and there are no areas as to which the Company has extended the time for designating Proposed Production Areas pursuant to Section 5.1(i)(i) as to which the period for extension has not expired; or
- c. no Feasibility Report has been submitted by the Company pursuant to Section 5.1(e) and there are no Proposed Production Areas as to which the Company has extended the time for filing a Feasibility Report pursuant to Section 5.1(i)(ii) or has received approval from the Government to deliver a Feasibility Report pursuant to Section 5.2, in each case as to which, if the applicable Feasibility Report has not been filed, the applicable time for filing has not expired; and
- d. there are no other designated Proposed Production Areas as to which the applicable deadline for filing a Feasibility Report has not expired; or
- e. the deadline for Feasibility Report submission specified in Section 5.1(e) has expired, there are no Proposed Production Areas as to which the Company has extended the time for filing a Feasibility Report pursuant to Section 5.1(i)(ii) or has received approval from the Government to deliver a Feasibility Report pursuant to Section 5.2, in each case as to which, if the applicable Feasibility Report has not been filed, the applicable time for filing has not expired, and there are no Feasibility Reports, including any amendments, modifications or supplements thereof, under review by the Ministry; and
- f. there are no Disapproved Feasibility Reports as to which the applicable time periods set forth in Section 5.7(e) have not expired,

this Agreement shall automatically terminate without requirement of action by the Company or the Government and the Company and the Government shall have no further obligations under this Agreement other than (i) with respect to the Company, its closure management

obligations as set out in its Approved Work Program and Budget or its approved EMP (as applicable) and (ii) with respect to both parties those matters that survive pursuant to, and all other liabilities or obligations described in, Section 36.8.

24.7 Winding-up Commission.

- a. Except as provided in Section 25.7(d), if a notice of termination has been given, the parties hereto shall set up a winding up commission (hereinafter referred to as the "Commission") which shall consist of two directors of the Company, two members appointed by the Government and a member of an internationally recognized accounting or law firm selected by the Government and reasonably acceptable to the Company, who will be the "Chairperson of the Commission". The fifth member may not in the last ten years have represented the interests of the Government or the Company and his or her firm may not in the past five years have been regularly retained by the Government or the Company. The Chairperson will be responsible for scheduling meetings, for establishing the agenda of meetings, and for keeping the record of meetings.
- b. The Chairperson of the Commission shall issue a notice and agenda for the first meeting of the Commission, which shall be held no later than three weeks after the establishment of the Commission. Thereafter, the Commission shall hold periodic meetings at least once a calendar month.
- c. The Company shall present to the Commission within 30 days of its establishment a summary report, and within 60 days of its establishment a detailed report, on the status of Operations as of the date of termination so that the Commission will be able to make recommendations to the Government as to whether the Commission and the Company should seek to transfer the assets and operations of the Company to a third party, or should establish plans for the full or partial cessation of operations including the disposition of assets and their demolition or removal according to Section 26 and the restoration of the areas environmentally adversely affected by Operations to such condition as prescribed in the closure management plan provided for in the EMP.
- d. The operation of this Section 25.7 is suspended under the circumstances contemplated by Section 25.5(b) or pending the final decision of an arbitration challenging such termination commenced under Section 27. The notice of arbitration is automatically terminated if a transfer contemplated by Section 25.5(b) is timely completed or if a final decision in an arbitration commenced under Section 27 determines that the notice of termination is invalid or should be disregarded.

SECTION 25 DISPOSITION OF ASSETS

25.1 General Provision.

Prior to the termination of this Agreement, the Company shall have the right to control all its Mining Plant, Infrastructure and other assets, whether or not the same may revert to and become the property of the Government upon such termination, and, to the extent no longer required for Operations or for compliance with any specific provision of this Agreement, to dispose of in the ordinary course of its business any such assets (other than Land leased from the Government, Immovables or the Company's rights under any Exploration License or any Mining License).

25.2 Disposition of Assets on Termination by the Government or Expiration of the Term.

Upon the termination of this Agreement for any reason excluding termination by the Company upon the occurrence and continuation of a Government Event of Default, the following rules apply:

- a. The Company shall deliver to the Government, not more than 90 days after the termination date a list (the "Property List") describing in reasonable detail and locating:
 - i) all Mining Plant and Infrastructure constituting structures or installations of any kind, including structures and installations to which the Government has title, and any Movable assets required for the full use or operation of any such Mining Plant and Infrastructure (such as, by way only of example, computers and computer programs controlling the operation of Mine ventilation systems and elevators), but excluding other Movable assets, identifying which assets could be used in continued Operations or otherwise and which in the good faith judgment of the Company have no further utility; and
 - ii) the Mine, any assets required for the full use or operation of the Mine and all Mining Plant and Infrastructure constituting improvements to the Land (including such things as roads, earthworks, bridges and dams, but excluding any Movable assets).

The Property List shall also set forth the estimated fair market value of each Movable asset contained on such list. Movable assets identified in clause (i) of this Section 26.2(a) may be grouped for valuation purposes by generic type of asset and physical location, so that, for example, all Movable assets in a particular heavy equipment maintenance shop might be classified for valuation purposes as "mine truck parts and supplies," "dragline and shovel parts and supplies" and "maintenance equipment", but such grouping for valuation purposes does not excuse the Company from the duty to describe such Movable assets in reasonable detail and the Government may request that the price for specified items included on the Property List be broken out from such aggregate valuation. The Property List shall be accompanied by a certificate of the Chief Executive Officer of the Company to the effect that such list is complete and correct in all material respects.

- b. The Company shall, as part of its closure responsibilities, remove all such structures and installations described in the Property List pursuant to clause (i) of Section 26.2(a) and to which the Company has title except insofar as the Government, within 90 days of receipt of such list, has directed the Company to transfer to the Government such structures or installations, related rights to Land (in the case of any such assets not located on Government Land), and any Movable assets which the Government elects to purchase pursuant to Section 26.2(f). The Company shall transfer to the Government, without charge, all of its right title and interest in each structure or installation (other than Movable items) promptly following its receipt of such authorization or direction as to such property. The Company shall also, as part of its closure responsibilities, remove those structures and installations described in the Property List pursuant to clause (i) of Section 26.2(a) and to which the Government has title and those required Movable assets identified on the Property List and to which the Government has title, in each case as

to which the Government, within 90 days of receipt of such list, has directed the Company to remove.

- c. The Company shall transfer to the Government, without charge, all of its rights, title and interest in all Immovable property described pursuant to clauses (i) and (ii) of Section 26.2(a) within 10 days of the delivery of the Property List.
- d. If the Company wishes to sell to a third party (other than an Affiliate) any Movable assets (except any Movable assets which are referred to in clause (i) of Section 26.2(a) and ordinary office equipment, furnishings and supplies and consumables reasonably expected to be consumed before the Termination Date) and any other information required for the full use or operation of such Movable assets, it shall include such assets and information in the Property List. For the avoidance of doubt, the Company shall be permitted to transfer any Movable assets (except any Movable assets which are referred to in clause (i) of Section 26.2(a)) to any Affiliate on any terms without first offering them to the Government pursuant to this Section 26.2.
- e. The Government shall have the first right of refusal to purchase the Movable assets contained in the Property List in accordance with Section 26.2(f).
- f. The delivery of the Property List shall constitute an offer by the Company to sell to the Government or its designee any or all Movable assets contained in the Property List at a purchase price equal to the lesser of the fair market value or depreciated book value of each such asset, on an “as is and where is” basis. If the Government does not exercise such purchase right as to any Movable asset included in the Property List by notice to the Company within 60 days after delivery of the list, then the Company may sell such asset to any Person for such price as it may be able to obtain therefore or remove such asset from Liberia. If the Government exercises its purchase right with respect to any Movable asset and related information, it shall pay the purchase price within 90 days of the date upon which such purchase price is established, against transfer by the Company to the Government of all of its right title and interest in such Movable asset.
- g. The Government, by notice to the Company within a reasonable period but not to exceed one year after any termination of this Agreement, may require the Company to dispose of in accordance with applicable Law any Movable assets not sold to the Government that remain on Government Land or in Mining Plant or Infrastructure that has been transferred to the Government. If the Company does not reasonably dispose of or remove such asset or assets within a reasonable period after said notice, the Government may effect such reasonable disposal or removal at the expense of the Company.
- h. Except in accordance with Section 26.2(i) and (j), no transfer to the Government of any assets pursuant to this Section 26 with or without compensation shall release the Company from any of its environmental restoration or remediation obligations under this Agreement which exist as at the date of termination of this Agreement.
- i. Subject to Section 26.2(j) below, following the termination of this Agreement and prior to the transfer of any assets to the Government in accordance with this Section 26, the Company, the Government and the EPA shall agree upon the nature and extent of the Company’s environmental restoration or remediation obligations in accordance with the agreed closure plan comprised in the EMP (as may have been

updated from time to time) (the “Final Closure Plan”), including such amounts required to fund the Company’s obligations as set out in the Final Closure Plan. Following the transfer of any assets pursuant to this Section 26 to the Government, subject to its obligations in the Final Closure Plan, the Company shall have no further liability in respect of any environmental restoration or remediation other than as provided for in the Final Closure Plan. Once the Company shall have completed the Final Closure Plan it shall provide a certificate of the Chief Executive Officer to the Government as to its completion. If either the Government confirms its agreement in writing or fails to provide within 9 months of the date of such certificate a notice setting out in writing the areas where it considers that the Company has not satisfied the obligations in the Final Closure Plan then the Company shall have no further liability in respect of any environmental restoration or remediation. In the event that the Government provides such a notice then once the Company has completed the items (or any dispute in respect thereof has been settled) then the Company shall be entitled to recommence the process.

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

25.3 Special Provisions for Public Use Infrastructure.

To the extent the Company has built and is operating under its Mining License or this Agreement facilities required by Regulations, this Agreement or other applicable Law to be made available for use by third parties (such facilities could include, by way of example and not limitation, highways, railroads, port facilities, water supplies, electrical supplies, hospitals or schools), unless the Government agrees otherwise with the Company, the Government may, in lieu of the procedures set forth in Section 26.2, require (by notice to the Company within 90 days after the delivery of the Property List) the Company to transfer all of its right title and interest, in and to any such facility (including all Movable Assets normally used in conjunction with any such facility and all other information required for the full use or operation of such facility) to a Person designated by the Government, in the case of Immovable assets, without charge or, in the case of Movable assets, for the purchase price attributable to such Movable assets and related information determined as provided in Section 26.2(f), as applicable, on an “as is and where is” basis. If the Government so designates a facility for purchase by a third party, the third party shall pay the relevant

purchase price within 90 days of the later of the date upon which such purchase price is established and the date such purchaser is designated.

25.4 Certain Insurance and Maintenance Obligations of the Company.

The Company shall insure in accordance with the requirements of this Agreement and maintain (in accordance with the requirements of this Agreement) the Mine, all Mining Plant and Infrastructure and all Movable assets until (i) title is transferred to the Government by the Company, where transfer of the property is required under this Section 26 without action by the Government, (ii) payment is to be made for such property under this Section 26, where such transfer is to be made against payment by the Government or a third party following election of transfer by the Government, or (iii) at such time as the right of the Government under this Section 26 to elect to require the transfer of such property to it or a third party has expired, in the case of property the transfer of which is not required by the Government in accordance with this Section 26.

25.5 Determination of Movable Asset Fair Market Value.

Unless the Government notifies the Company that it disagrees with the Company's fair market value estimates for a Movable asset (and related information) included in the Property List at or prior to the time it notifies the Company of its desire to acquire such asset, the Company's valuation shall be final. If the Government does give notice of disagreement, fair market value shall be determined by internationally recognized appraisal firm experienced in the valuation of mining Movable assets. The firm will be selected by the Government, but shall be from a list of three such firms selected by the Company if the Company provides such list when it provides the Property List. The costs of the appraiser in respect of each appraisal shall be allocated by the appraiser and shall be borne by the Company unless the valuation placed on the asset by the appraiser is at least 95% of the valuation placed on the asset by the Company, in which case the cost of the appraiser shall be by the Government. If the Company is unable or fails to provide for the transfer of any information required for the full use or operation of any Movable asset (or if for any reason the Government or a purchaser designated by the government elects not to acquire and such information), its fair market value shall be determined based on its value to a Person who shall acquire in the marketplace the necessary information.

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

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

25.7 Miscellaneous.

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

25.8 Liens.

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

25.9 Intellectual Property.

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

SECTION 26 MEDIATION; ARBITRATION

26.1 Mediation.

- a. Where any dispute, controversy or claim between the Government and the Company or the Shareholder (the Company and the Shareholder together, the "Investor Parties") arising out of or in relation to or in connection with this Agreement, including without limitation any dispute as to its existence, interpretation, construction, validity or termination, the rights or liabilities of the parties, the enforceability, performance, expiry, termination or breach of the Agreement whether based on contract, tort or otherwise (a "Dispute"), the Government and the Investor Parties shall attempt to reach an amicable settlement through mutual discussion. If, notwithstanding the parties' attempts, it is not possible to reach such a settlement within 20 Business Days of one party giving the other parties notice of the Dispute, the Dispute shall be first referred to a mediator to be agreed upon by the Government and the Investor Parties. Mediation shall commence by written notice from the complaining party or parties calling for mediation, with a statement of its grievance, followed in 15 Business Days after appointment of the mediator by a written response in writing from the other party (or parties) stating its response to the grievance. The complaining party may elect to file a reply within 15 days after receipt of the response, but such reply shall be limited only to new facts raised in the response. If the parties cannot agree upon a mediator within 30 Business Days after service of the notice from the complaining party, the mediator shall be appointed by the LCIA.

- b. The mediator shall submit written nonbinding recommendation(s) to the parties which shall include, but not be limited to, terms on which the dispute, controversy or claim may be resolved or settled.
- c. Within 10 Business Days of the submission of the mediator's recommendation(s), both the Government and the Investor Parties shall submit to the other its written response to the recommendation(s), detailing which items, if any, it accepts or rejects or which items, if any, it wishes further direct negotiations within the context of the recommendation(s). Where the mediator's recommendation(s) are rejected by either of the parties and it is evident that further direct negotiations will not resolve or settle the dispute, controversy or claim, the matter shall be submitted to arbitration pursuant to Section 27.2.
- d. No Dispute shall be submitted to arbitration before mediation has been exhausted. The cost and expenses of the mediator shall be equally borne by Government and the Investor Parties.

26.2 Submission to UNCITRAL Arbitration.

- a. Any Dispute between the Government and the Company not settled pursuant to Section 27.1 shall be referred to and finally resolved by arbitration conducted in accordance with the UNCITRAL Rules. Any such arbitration shall be administered by the LCIA.
- b. Unless the Government and the Company agree that any matter subject to arbitration under this Agreement shall be referred for resolution by a single arbitrator, any arbitral tribunal constituted pursuant to Section 27.2(a) shall consist of three arbitrators appointed in accordance with the UNCITRAL Rules. The Government and the Company shall each appoint one arbitrator and the two arbitrators so appointed shall appoint a third arbitrator who shall act as president of the arbitral tribunal. Where either the Government or the Company fails to appoint an arbitrator within 45 Business Days of being called upon to do so by the other party or where the party-appointed arbitrators have not appointed a third arbitrator within 20 Business Days after the appointment of the second of them, either party may apply to the LCIA Court to appoint that arbitrator.

26.3 Seat of Arbitration.

The seat of any arbitration conducted pursuant to this Agreement shall be London, England and the proceedings shall be conducted in the English language. The Government and the Company agree to submit irrevocably to the jurisdiction of the English courts for the limited purpose of enforcing this agreement to arbitrate.

26.4 Disputes Between the Government and the Shareholder.

Any Dispute between the Government and Shareholder not otherwise referred to arbitration pursuant to Section 27.2 shall be finally settled under the then-prevailing rules of arbitration of ICSID by a panel of three arbitrators appointed in accordance with such rules. The proceedings shall be conducted in the English language. It is hereby stipulated by the Government and the Shareholder that the transaction to which this Agreement relates is an investment and it is hereby acknowledged by the parties that the Shareholder is a national of the Republic of Seychelles.

26.5 Single Arbitrator.

To the extent permitted by law or applicable arbitration rules, where this Agreement provides, or if the parties agree that any matter subject to arbitration under this Agreement (including any Dispute between the Government and the Shareholder) shall be referred for resolution by a single arbitrator, the parties shall promptly appoint such an arbitrator by agreement between them. In the absence of agreement as to the choice of arbitrator, an arbitrator shall be appointed by the LCIA Court (for any Dispute between the Government and the Company) or by ICSID (for any Dispute between the Government and the Shareholder). The decision of the single arbitrator shall be final and binding unless appealed by any party to a full panel of arbitrators appointed as provided in this Section 27, who shall examine the single arbitrator's decision only as to manifest error of law, findings of fact that are not supported by any credible evidence, and abuse of authority, misconduct or other unauthorized act by the single arbitrator.

26.6 Single Claim; No Concurrent Suits.

The parties further acknowledge that, in spite of the difference of arbitral jurisdiction applying to the Shareholder and the Company, that concurrent arbitration proceedings, including an appeal of the decision of a single arbitrator as provided in Section 27.5, shall not be permitted and all matters relating to a Dispute, whether initiated by the Government, the Company, or the Shareholder, shall be decided in a single proceeding. Whenever an arbitration has been initiated before LCIA or ICSID with respect to a Dispute, any subsequent arbitration initiated with respect to the same Dispute before LCIA or ICSID, whichever is not the authority before which the original action was filed, shall be abated provided that the Parties by agreement may agree to dismiss or stay the original filing to permit arbitration before the alternative authority..

26.7 Special Provisions.

Any decision of the arbitrator(s) shall be public. Any monetary award shall be assessed and payable in Dollars (determined at the Prevailing Market Rate of Exchange if the award involved an obligation expressed in any currency other than Dollars). The arbitrators may not award specific performance or similar equitable remedies against the Government. No party shall have any liability for either consequential damages or exemplary or punitive damages. Enforcement of any UNCITRAL award shall be in accordance with the provisions of the New York Convention, and enforcement of any ICSID award shall be in accordance with the provisions of the ICSID Convention. This Section 27.7 and its limitations apply to all arbitration awards pursuant to this Section 27 whether made by LCIA, ICSID, or any other arbitral authority.

26.8 Exclusive Remedy

Failing mediation, arbitration hereunder shall be the parties' exclusive remedy and no party to arbitration shall be required to exhaust any local administrative or judicial remedy.

26.9 Severability

The provisions of this Section 27 shall be severable from the remainder of this Agreement and shall remain in full force and effect notwithstanding any cancellation or termination of this Agreement.

26.10 Shareholder Benefit and Appointment and Government Acknowledgement.

- a. The "Shareholder" means the Person which has direct Control of the Company.
- b. Mano River Iron Ore Ltd, a corporation organized under the laws of Seychelles is and shall be the initial Shareholder.
- c. The Shareholder shall benefit from the rights conferred on the Company under this Agreement, including but not limited to under this Section 27, and shall be entitled to be a party and to make claims in its own name in any arbitration under this Agreement and to all the remedies that would be available to the Company and the Government hereby acknowledges and consents to the Shareholder having such rights. Whether advanced in the name of Shareholder or the Company, only a single claim may be made with respect to any Dispute under this Agreement and any award shall be limited by the amount that the Company could claim for breach of this Agreement.
- d. The Company hereby irrevocably appoints the Shareholder to act on its behalf with respect to all matters pursuant to this Section 27. Such appointment shall include the right to initiate, conduct, manage, and settle any and all aspect of any arbitration pursuant to such Section, and the Government hereby acknowledges and consents to such appointment.
- e. The Shareholder may transfer Control of the Company in accordance with this Agreement, in which case the new Shareholder shall enter into a deed of adherence to this Agreement in the form set out in Exhibit 8 and the Company and the Government acknowledge and agree that the new Shareholder's entry into such a deed of adherence shall constitute a written arbitration agreement between the new Shareholder, the Company and the Government on the terms set out in this Section 27.
- f. The Shareholder represents and warrants to the Government at the date of this Agreement and on the Effective Date as follows: (i) the Shareholder is a corporation duly organized, validly existing and in good standing under the laws of the Seychelles, and has the corporate power and authority to execute, deliver and perform its obligations under this Agreement; (ii) this Agreement has been duly authorized by all necessary corporate action on the part of the Shareholder, and this Agreement constitutes a legal, valid and binding obligation of the Shareholder enforceable against the Shareholder in accordance with its terms, except as such enforceability may be limited by (A) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (B) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); (iii) the

execution, delivery and performance by the Shareholder of this Agreement will not (A) contravene, result in any breach of, or constitute a default under, any agreement or instrument to which the Shareholder is a party or by which it or any of its properties are bound or affected, (B) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or governmental authority, applicable to the Shareholder or (C) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Shareholder; (iv) there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Shareholder, threatened, against or affecting the Shareholder or any property of the Shareholder in any court or before any arbitrator of any kind or before or by any governmental authority that call into question the right of the Shareholder to enter into and perform its obligations under this Agreement or that, if resolved against the Shareholder, would materially adversely affect its ability to perform its obligations under this Agreement; (v) the representation and warranty of the Company set forth in Sections 21.1(c) and (d) are true and correct; and (vi) none of the Shareholder, any Affiliate of the Shareholder or any Person acting on behalf of the Shareholder or any Affiliate of the Shareholder has made or promised to make any payment or transfer of anything of value, directly or indirectly, to or for the benefit of an Official or an Official's family member or to an intermediary for payment to or for the benefit of an Official or an Official's family member in connection with this Agreement or the transactions contemplated hereby.

SECTION 27 NOTICES

27.1 Written Communications.

All orders, approvals, declarations and notices of any kind between the parties (hereinafter each referred to as a "Communication") shall be in writing and delivered by hand, by fax, by electronic mail, by postage prepaid registered mail, by prepaid internationally recognized courier service, or by any other means of communication agreed upon in writing by the parties. Communication by fax or electronic mail is valid under this Agreement only to fax numbers or electronic email addresses set forth below or identified as acceptable to a party by notice to the other party pursuant to this Section 28. A Communication other than an electronic mail shall bear an original or facsimile reproduction of the signature of a representative of the sending party responsible for such Communication and all Communications shall indicate the identity of such representative and state how he or she may be reached by telephone and, if practical, electronic mail. A Communication under this Agreement is not effective until delivery.

27.2 Delivery.

Subject to Section 28.5, delivery of a Communication to a party shall be deemed to have occurred in any one of the following circumstances:

- a. Fax confirmation of receipt is electronically issued to the sender by the fax receiving device.
- b. Electronic mail confirmation of receipt originated by the recipient is received at the electronic mail address of the sender.
- c. Written confirmation of receipt is received by the postal or courier service delivering the Communication.

- d. The recipient has otherwise directly or indirectly acknowledged receipt of the Communication in writing.
- e. Verification of receipt of the Communication has been obtained in any manner specifically agreed to in writing by the parties. Other confirmation of receipt acceptable to the recipient is obtained by the sending party.

27.3 Addresses.

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

The Chief Executive Officer, Putu Iron Ore Mining Inc.,
Mano House, 18th Street, Sinkor, Liberia

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

Sherman & Sherman
R. Fole Sherman Law Building
17th Street and Cheeseman Avenue
PO Box 10-3218
Sinkor
Monrovia

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

The Directors, Mano River Iron Ore Limited
41 Maiden Lane, London, WC2E 7LJ, United Kingdom

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

The Directors, Mano River Iron Ore Limited
2/3 Klary Tsetkin ul., Moscow, Russia

All Communications from the Company and/or the Shareholder to the Government shall be addressed as follows:

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

And

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

And

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

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

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

27.4 Change of Address.

Any party may, upon prior notice to the other party, at any time change the designation of a Person named to receive Communications under this Agreement, or the address or fax number of the office in Liberia or elsewhere authorized to receive such Communications.

27.5 Quantities.

All notices, reports, applications, feasibility reports and related plans and documents, financial statements and similar materials furnished to the Government by the Company under this Agreement shall be delivered to each Government addressee provided for under Section 28.3 or Section 28.4 (but not more than five addressees at any one time) in duplicate paper copies, and, if more than six pages long, shall be accompanied by a reproducible electronic copy in Microsoft Word or Adobe PDF format that is compatible with versions of such program that have been readily available in Monrovia for at least 36 months. The Government may change the required electronic data format for such documents to any other readily available format on at least 60 days prior notice to the Company.

SECTION 28 FORCE MAJEURE

28.1 Application.

In the event of a party being rendered unable, in whole or in part, by Force Majeure to carry out any obligation under this Agreement, other than an obligation of the Company to make payments of money to the Government, the party shall give notice and the particulars of such Force Majeure in writing to the other party as soon as practicable after the occurrence of the cause relied on. Thereafter, any obligation of the party giving such notice that such party is unable to carry out because of such Force Majeure shall be suspended during the continuance of any such inability so caused, but for no longer period. The party giving such notice shall take all reasonable steps to mitigate such disability with all reasonable dispatch. All time periods specified in this Agreement for the performance of obligations or the enjoyment of rights that are affected by Force Majeure, other than obligations for the payment of money, shall be extended until the effect of such Force Majeure is remedied as above provided or otherwise ceases. However, the Term and all Mining Terms shall be extended as a result of an event of Force Majeure if and only if such event causes the stoppage of substantially all of a material part of Operations.

28.2 Definition.

The term “Force Majeure” as used in this Agreement shall mean acts of God, accidents, wars, acts of war, invasions, acts of public enemies, hostilities (whether war is declared or not), restrictions on trade or other activities imposed by any sovereign nation or state, embargoes, blockades, revolutions, riots, civil commotions, acts of terrorism, sabotage, strikes and/or other industrial, labor or employer-employee disputes (if not cured for a period of more than two months), fires, explosions, earthquakes or any other natural disasters, expropriation of facilities or goods, epidemics, public health emergencies and any similar cause, provided any such cause was not within the reasonable control of the party claiming the benefit of Force Majeure and could not have been avoided or overcome by such party through the exercise of due diligence.

28.3 No Required Settlement.

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

28.4 Termination As a Result of Force Majeure.

The Company shall be entitled to terminate this Agreement and shall have no further obligations under this Agreement if the circumstances giving rise to a Force Majeure event are continuing for a period of more than 360 days, provided that the Company has notified the Minister of such fact, following which the Agreement shall terminate 180 days following such notification being sent to the Minister.

SECTION 29 GOVERNING LAW

29.1 Applicability of Liberian Law.

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

29.2 Construction and Interpretation.

This Agreement and the rights, obligations and duties of the parties hereunder shall be construed and interpreted in accordance with Liberian law.

SECTION 30 PERIODIC REVIEW

30.1 Profound Change in Circumstances.

For the purpose of considering Profound Changes in Circumstances from those existing on the Effective Date or on the date of the most recent review of this Agreement pursuant to this Section 31.1, the Government on the one hand and the Company on the other hand, shall meet once every five (5) years after the date hereof or earlier, if one party reasonably considers a Profound Changes in Circumstances to have occurred, to establish whether or not a Profound Changes in Circumstances has occurred. To the extent that a Profound Changes in Circumstances has occurred the parties shall enter into good faith discussions to consider such modifications to this Agreement as they may in good faith agree are necessary. The parties shall effect such modifications to this Agreement that the parties agree are necessary.

30.2 Other Consultation.

In addition to the consultation and review provided by Section 31.1, each party may at any time request a consultation with the other party with respect to any matter affecting the rights and obligations of the parties pursuant to this Agreement or any matter relating to Operations. The parties shall meet to review in good faith the matter raised as soon after such request as is reasonably convenient for them both. Subsequent to such consultation, the parties shall take such action, if any, that is mutually agreed to address the matter, subject to the requirements of Section 33.3.

SECTION 31 WAIVER OF SOVEREIGN IMMUNITY

The Government hereby irrevocably waives, in relation to any dispute arising out of, in relation to, or in connection with, this Agreement, whether relating to acts of a sovereign or governmental nature or otherwise, all claims of immunity from the jurisdiction of, and from the enforcement of any arbitral award rendered by, an arbitral tribunal constituted pursuant to this Agreement as well as all claims of immunity from the service of process or the jurisdiction of any court situated in any state, country or nation in aid of the jurisdiction of such arbitral tribunal or in connection with the enforcement of any such award.

SECTION 32 MISCELLANEOUS

32.1 Where Payments to Government are Made.

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

32.2 Entire Agreement.

This Agreement, including the Schedules and Exhibits attached to it, represents the entire agreement between the parties and shall with effect from the Effective Date, supersede all previous oral and written negotiations and agreements between the parties.

32.3 Amendment and Interpretations.

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

32.4 Limitation of Liability.

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

32.5 Non-Waiver of Rights.

Either party may (i) extend the time for the performance of any of the obligations of the other party, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, or (iii) waive any non-compliance by the other party with, or default by the other party under, any provision of this Agreement, provided that such extension or waiver shall be in writing. In the case of the Government, any such extension or waiver shall be executed by the Minister, the Minister of Finance, Minister of Justice, and the Chairperson of the National Investment Commission, or such other persons as may be notified by the Government to the Company, provided that, save as expressly set out in this Agreement, any such extension or waiver that, if given effect, would modify any provision of applicable statutory Law (other than this Agreement), shall not become effective until, in addition, it is approved by the Legislature. The non-exercise or partial exercise by one or the other of the parties of any of its rights under the terms of this Agreement shall not in any case constitute a waiver of that right. Without prejudice to the generality of the foregoing sentence, the failure of the Government to make any inspection described in this Agreement or provided for under applicable Law or ascertain in any such inspection the existence of any breach by the Company of any of its obligations under this Agreement, any plan described in Sections 5.4 through 5.6 or applicable Law shall not affect the ability of the Government to require full compliance by the Company with such obligations.

32.6 Third Party Beneficiary

Apart from the Government, the Company and the Shareholder as provided in Section 27.10, no Person shall have any rights under this Agreement.

32.7 Assignment and Succession.

The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the successors by operation of law and permitted assignees of the parties including without limitation in the case of the Government, all future manifestations or forms of public power exercising sovereign authority over all or part of the present territory of Liberia.

32.8 Survival.

Notwithstanding termination of this Agreement by any party or for any reason, including a termination due to a finding that this Agreement or a portion thereof is void, invalid, or unenforceable, Section 1, the final sentence of Section 19.8(c), Sections 20.1, 20.5, 20.6, 22, 25.7, 26, 27, 28, 30, 32, and this Section 33, all liabilities of either party accruing prior to such termination and all closure management and environmental remediation, restoration or reforestation obligations of the Company under this Agreement or each EMP shall survive such termination. Moreover, any such termination shall be without prejudice to rights, duties and obligations of either party that have accrued prior to termination and, notwithstanding such termination, such provisions of this Agreement as are reasonably necessary for the full enjoyment and enforcement of such accrued rights, duties and obligations shall survive such termination for the period necessary.

32.9 Severability.

Should any Section of this Agreement, or any provision or term of any Section, be found, pursuant to Section 27, to be void, invalid or unenforceable, in whole or in part, then the remaining Sections, and those unaffected provisions or terms of any other Sections which

contain some void, invalid or unenforceable provisions or terms, shall nevertheless remain valid and subsisting and shall be construed as if this Agreement had been executed without such void, invalid or unenforceable Sections, provisions or terms. Any otherwise void, invalid or unenforceable Section, term or provision of this Agreement shall be so construed, or reformed, as to alter, amend or change any such term, provision or condition to the extent necessary to render it valid, lawful and enforceable, while also giving maximum effect to the parties' originally intended purpose or result, short of creating any void, invalid or unenforceable provision, term or condition.

32.10 Publication.

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

32.11 Counterparts.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

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

Signed in _____ originals on the 2nd day of September 2010.

IN PRESENCE OF:

FOR THE GOVERNMENT OF THE REPUBLIC
OF LIBERIA

By:
THE MINISTER OF LANDS, MINES AND
ENERGY

By:
THE MINISTER OF FINANCE

By:
THE CHAIRMAN OF THE NATIONAL
INVESTMENT COMMISSION

ATTESTED BY:

THE MINISTER OF JUSTICE

FOR THE COMPANY:

By:
DULY AUTHORISED REPRESENTATIVE

FOR THE SHAREHOLDER (solely for purposes of
Sections 27 and 33.6 hereof):

By:
DULY AUTHORISED REPRESENTATIVE

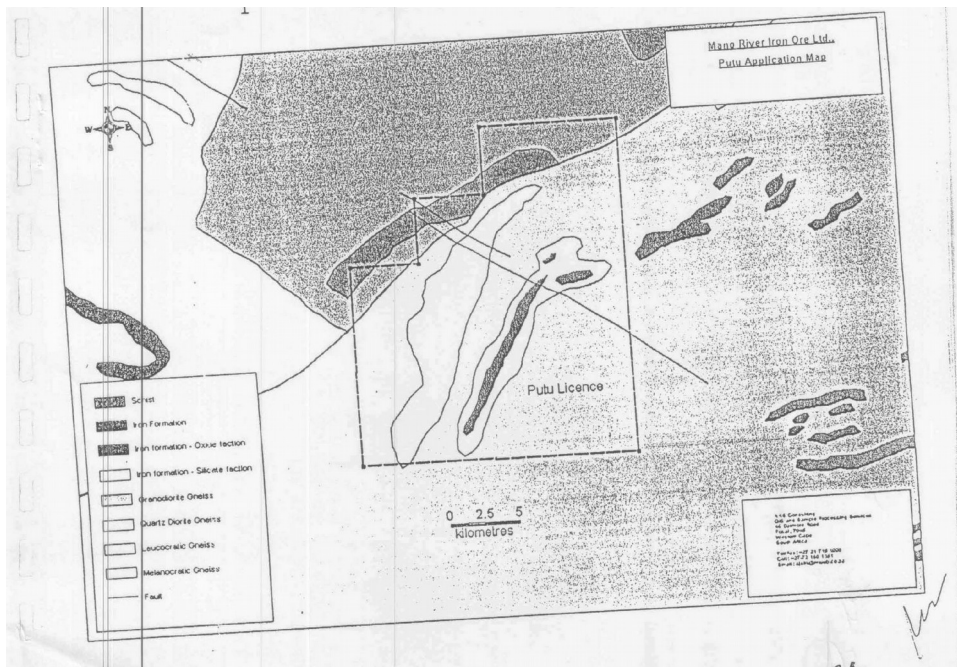
Approved on this ____ day of _____, A.D. 2010.

Ellen Johnson Sirleaf
PRESIDENT
REPUBLIC OF LIBERIA

Schedule 1
Description of Exploration Area

The coordinates for the meets and bounds of the Exploration Area are as follows:

Point	UTm E	UT m N
1	580000	630000
2	585000	630000
3	585000	635000
4	590000	635000
5	590000	640000
6	600000	640000
7	600000	615000
8	580000	615000
1	580000	630000 (to close)



Schedule 2
List of Existing Exploration Licenses

Implied license arising under the Iron Ore Appraisal and Exploration Agreement for the Putu Range Between the Republic of Liberia and Mano River Iron Ore (Liberia) Inc., dated May 18, 2005.

Schedule 3
List of Exploration Agreements to be Terminated
(Section 4.2(a))

Iron Ore Appraisal and Exploration Agreement for the Putu Range Between the Republic of Liberia and Mano River Iron Ore (Liberia) Inc., dated May 18, 2005. But see Section 4.2(a) regarding the survival of the license arising out of this agreement.

Schedule 4
Description of Pre-Feasibility Study Activities
 (Section 4.6)

This section comprises a summary of the exploration / PFS work programme submitted by the Company to the Government in August 2009. It is intended to illustrate works planned by the Company, and should not be interpreted as exhaustive or comprehensive.

1. Description of Exploration Activities Planned

The exploration work programme described in this section 1 comprises one key component of a Pre-Feasibility Study (**PFS**) on the Putu Range iron ore project, leading to the generation of a CRIRSCO-compliant Indicated Resource estimate.

The PFS will be completed before the end of September 2012. PFS studies typically allow the project owner to evaluate and select the most economically and technically viable option for project development, with 5-15% of engineering completed and project-specific cost estimates with an accuracy of ±20%. A detailed description of the scope of work for the generation of the resource estimate and for the remainder of the PFS is presented at section 2.

The primary objective of the exploration work programme presented in this section, is to generate CRIRSCO-standard Indicated Resource estimates for un-weathered or “fresh” magnetite BIF at Mt Jideh / Mt Montrouh by the end of September 2012. Delineation of oxide BIF indicated resources at these localities (if any) will take place during the subsequent Definitive Feasibility Study stage of work.

1.1. *Drilling – Mt Jideh / Mt Montrouh*

This section describes an estimate of the drilling advance required to establish approximately 2 billion tonnes of fresh BIF at Mt Jideh / Mt Montrouh that may be classified as Indicated Resources according to the definitions in the CRIRSCO reporting template.

Putu Iron Ore Mining (**PIOM**) estimates that approximately 62km of drilling will be required to establish approximately 2 billion tonnes of fresh BIF at Mt Jideh / Mt Montrouh that may be classified as Indicated Resources according to the definitions in the CRIRSCO reporting template. The number of holes and proposed drilled metres by area are recorded in table 1.1. Holes will be drilled via a combination of diamond drilling (**DD**) and reverse circulation (**RC**) drilling.

Table 1.1 - Summary of Drill Meterage, Mt Jideh / Mt Montrouh

Location	Number of Holes	Proposed Metres
Mt Jideh (Section lines J5200 to J17600)	129	48,028
Mt Montrouh West (Section lines J16000 to J18000)	28	7,290
Mt Montrouh East (Section lines J16000 to J18000)	21	6,308
Total	178	61,626

1.2. *Airborne Magnetic Survey*

PIOM engaged Fugro to fly an airborne magnetic survey over the Putu area in Q4 2009. The objectives of this survey were i) to provide high resolution geomagnetic imagery to locate the outcrop of BIF in the Putu area more accurately than has previously been possible, ii) to provide rigorous geomagnetic data for regional geological interpretation, iii) to generate a digital elevation model (**DEM** or **DTM**), corrected for forest cover, and at a higher resolution than the current

SRTM-based model, and iv) to generate aerial photographic imagery for use in environmental and social baseline studies (see section 2.12 below). The survey consisted of flying one survey block over the Putu Range in eastern Liberia using Fugro's MIDAS™II helicopter borne system.

1.3. Ground Magnetic Survey

PIOM completed a limited ground magnetic survey at Mt Jideh in October 2009, with the objective of providing information to assist with the location of drill-hole collars prior to the receipt of airborne magnetic data in December 2009 (see section 1.2 above), as well as providing information to assist interpretation of the depth extent of the BIF mineralisation at Mt Jideh.

1.4. Metallurgical Testing

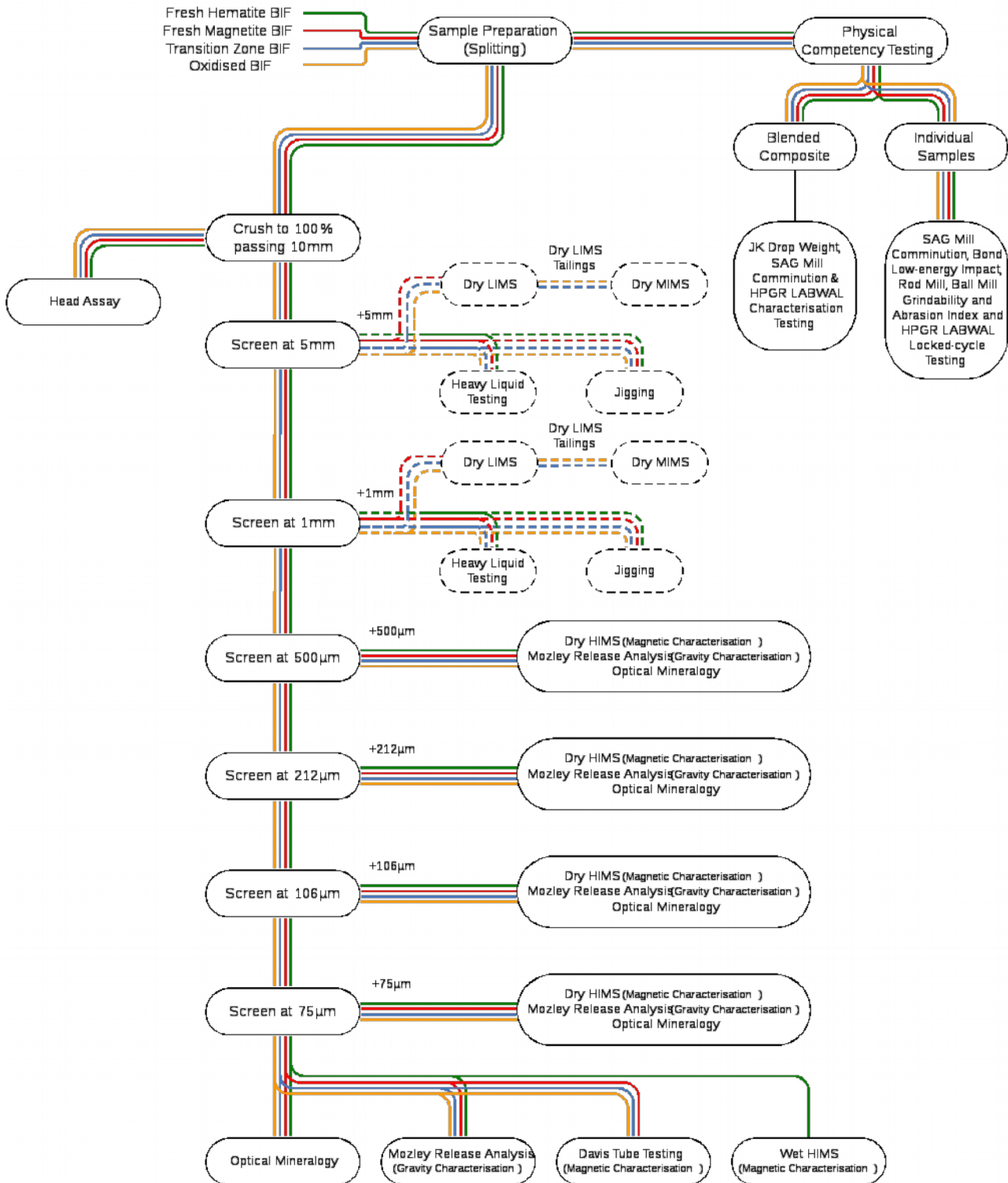
PIOM engaged the All-Russian Scientific / Research Institute of Mineral Resources (**VIMS**) in Moscow in July 2009 to complete orientation mineralogical analysis of 15 samples of Putu BIF taken from 2008 drill cores. This analysis included i) quantitative X-ray analysis of mineral content (**XRD**), ii) petrographic analysis, iii) mineralographic analysis, iv) optic-geometrical analysis, v) spectroscopic analysis, and vi) Mössbauer spectroscopy. The results of this orientation mineralogical study provided guidance for the detailed design of the follow-up optical mineralogy studies planned during subsequent metallurgical testing.

Bench-scale metallurgical testing has been completed on large (c. 400 kg) samples of each BIF type identified during previous works *i.e.* oxidised BIF, transition zone BIF, fresh magnetite BIF, and fresh haematite BIF. These samples were obtained by re-drilling two holes from the 2008 drilling campaign at PQ (83 mm core) or T6 116 (93 mm core) diameter to depths, respectively, of 120 meters and 210 meters. This drilling was completed during September and October 2009, and the metallurgical testing was completed between December 2009 and June 2010. The metallurgical testing methodology is shown in figure 1.4.1 below.

1.5. Analytical Works

Sample preparation and analysis of samples from previous sampling campaigns at Putu have thus far been completed by Stewart Global Group and SGS. The sample preparation and analytical methodology has been refined based on input from international consultants. Further refinements are anticipated, particularly in respect of the Davis Tube Recovery (**DTR**) methodology, to ensure the methodology facilitates extraction of maximum information from Putu samples. The current sample preparation and analytical methodology comprises i) sample preparation, with different approaches used for oxidised or fresh / transitional BIF samples, ii) major element geochemical analysis, iii) DTR testing of fresh / transitional BIF samples, and iv) deleterious trace element determination on DTR concentrate composites.

Figure 1.4.1 – Metallurgical Testing Methodology



It is anticipated that nearly 30,000 samples will be generated over the course of the exploration work programme described in this section 1.1, of which 10-15% will be oxide BIF. To reflect this, PIOM has established a sample preparation facility at its Petrokon exploration camp, which will improve sample integrity / security as it would eliminate the need to transport bulk samples (3-5 kgs each) by road to the a third party sample preparation facility.

The on-site prep lab will be operated by Stewart Global Group, with SGS Mineral Services acting as the lead analytical services provider, and 5% duplicate samples analyses by Bureau Veritas / UltraTrace.

1.6. Exploration Infrastructure

All-Terrain Services Liberia Inc. (ATS) was engaged by PIOM in May 2009 to construct and operate an exploration camp at Petrokon (Tiamah) Town, comprising i) a 45,000 gallon capacity diesel fuel storage facility, ii) a 2-bay roofed light vehicle workshop, iii) two wells and pumps, iv) site security infrastructure, v) senior staff accommodation, vi) junior staff accommodation, vii) office block-building, viii) kitchen / mess block-building, ix) VSAT communications equipment, x) core shed for core cutting, sample preparation and core storage, xi) containerised water treatment plant, xii) containerised sewage treatment plant, xiii) incinerator, and xiv) over 600 kVA of diesel generating capacity. Construction works were essentially completed by August 2010. ATS also provide laundry, room cleaning and 3 meals / day for camp residents, as well as a casual meals service for temporary labourers recruited from the surrounding villages, and also provide office cleaning services and operate a camp shop and cash bar.

1.7. Schedule of Exploration / PFS Activities and Expenditure

Figure 1.7.1 – Overall Schedule of Planned Exploration and PFS Activities

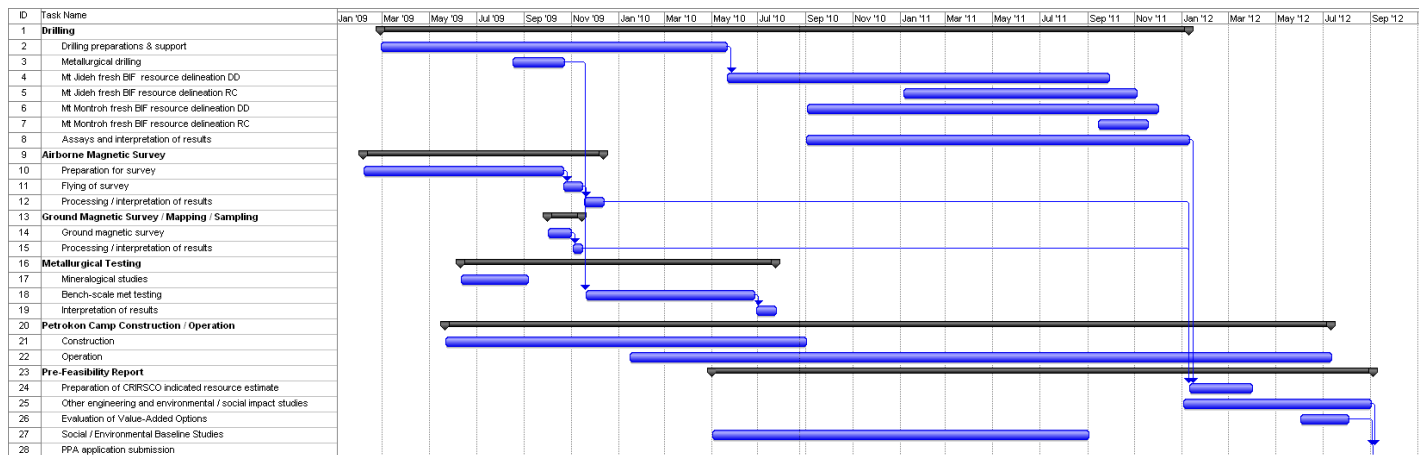


Table 1.7.1 – Quarterly Exploration / PFS Expenditure Breakdown

US\$	2010 fcst	1Q '10 actual	2Q '10 actual	3Q '10 fcst	4Q '10 fcst	2011 fcst	1Q '11 fcst	2Q '11 fcst	3Q '11 fcst	4Q '11 fcst	2012 fcst	1Q '12 fcst	2Q '12 fcst	3Q '12 fcst	4Q '12 fcst
Selection, Acquisition & Permits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recon & Geochem	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Drilling	8,142,238	1,758,859	966,341	2,237,631	3,179,407	11,442,653	3,273,798	3,174,236	2,953,380	2,041,239	0	0	0	0	0
Geophysics including Imagery	4,863	916	3,947	0	0	0	0	0	0	0	0	0	0	0	0
Assays including Shipment	2,200,940	325,637	146,919	465,596	1,262,788	3,379,570	1,036,327	942,096	896,623	504,524	0	0	0	0	0
Consultants	1,863,914	185,561	855,449	389,992	432,911	1,198,027	568,186	423,666	98,925	107,250	5,471,750	2,087,250	2,417,250	967,250	0
Infrastructure	760,708	421,786	230,922	108,000	0	0	0	0	0	0	0	0	0	0	0
Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Licences and Permit Fees	94,113	0	0	73,109	21,004	26,004	0	5,000	0	21,004	26,004	0	5,000	0	21,004
Office Rental	83,020	3,010	57,510	0	22,500	75,000	0	52,500	0	22,500	70,000	0	52,500	0	17,500
Office Communications	37,504	18,304	15,200	2,000	2,000	8,000	2,000	2,000	2,000	2,000	5,900	2,000	2,000	1,900	0
Office Utilities & Maintenance	427,583	14,209	220,458	75,726	117,190	468,761	117,190	117,190	117,190	117,190	312,855	117,190	117,190	78,474	0
Office Supplies	93,982	49,563	44,419	0	0	0	0	0	0	0	0	0	0	0	0
Office EDP & Other	632,321	69,737	1,956	301,578	259,050	1,036,202	259,050	259,050	259,050	259,050	756,801	259,050	259,050	189,200	49,500
Legal & Security	288,943	8,282	5,661	270,500	4,500	18,000	4,500	4,500	4,500	4,500	13,500	4,500	4,500	4,500	0
Bank Charges & Interest	238,316	44,203	22,251	83,507	88,355	211,715	50,251	80,071	44,441	36,952	102,288	30,657	44,862	13,438	13,330
Security & Consultants	466,831	27,446	124,577	156,308	158,500	634,000	158,500	158,500	158,500	158,500	419,000	158,500	158,500	102,000	0
Accounting & Audit	14,000	8,000	0	3,000	3,000	25,000	16,000	3,000	3,000	3,000	22,000	16,000	3,000	3,000	0
PR & Communities	8,001,721	60,881	67,440	5,358,700	2,514,700	10,468,800	3,232,200	4,972,200	632,200	1,632,200	4,969,200	632,200	2,082,200	629,800	1,625,000
Salaries & Wages	1,562,109	262,871	454,516	400,188	444,534	1,778,137	444,534	444,534	444,534	444,534	1,778,137	444,534	444,534	444,534	444,534
Social Security	348,014	0	0	176,031	171,982	663,387	161,303	153,578	176,522	171,982	436,040	161,303	153,578	117,605	3,554
On Cost	490,608	255,204	221,884	6,760	6,760	27,040	6,760	6,760	6,760	6,760	18,860	6,760	6,760	5,340	0
Transportation - Air Travel	206,789	36,622	56,681	65,074	49,412	246,972	74,074	49,412	74,074	49,412	164,648	74,074	49,412	41,162	0
Transportation - Surface Travel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subsistence	81,858	11,587	28,361	20,430	21,480	86,820	21,930	21,480	21,930	21,480	57,880	21,930	21,480	14,470	0
General Field Costs	434,589	94,159	93,737	122,393	124,301	512,202	139,301	124,301	124,301	124,301	346,468	139,301	124,301	82,867	0
Management Allocation Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Operating Cost	59,840	134	59,706	0	0	0	0	0	0	0	0	0	0	0	0
Fixed Assets	1,342,312	432,197	561,455	247,667	100,993	141,593	17,763	113,680	5,075	5,075	35,525	17,763	5,075	12,688	0
TOTAL	27,877,115	4,089,168	4,238,389	10,564,188	8,985,368	32,447,883	9,583,667	11,107,754	6,023,006	5,733,455	15,006,856	4,173,012	5,951,193	2,708,228	2,174,423

2. Scope of Work for PFS, Including Evaluation of Downstream Processing Options

PIOM intends to evaluate the Putu Range iron ore project in two stages:

2. a Prefeasibility Study (**PFS**) which shall satisfy the requirements of this Agreement, and during which all alternative project concepts are assessed in sufficient thoroughness that PIOM can commit to a single project option that provides a viable, low risk business case, for which further information would need to be gathered and assessed during a DFS
3. a Definitive Feasibility Study (**DFS**) which shall satisfy the requirements of this Agreement, and during which the project is assessed in sufficient thoroughness that PIOM could subsequently commit to the project, subject to it meeting PIOM's investment and other criteria. This DFS should be completed to the standard expected by international financial institutions and their technical advisers.

In this section is described a typical PFS scope of work for an iron ore project in Liberia, which is likely to be applied to the Putu Range iron ore project. This description is not presented as being either exhaustive in scope or complete in its detail. It should also be read in conjunction with section 1 above, which outlines the exploration works planned by PIOM to generate data for a CRIRSCO-compliant indicated mineral resource estimate, which is a key component of the PFS.

2.1 *Scope of Pre Feasibility Study*

The manner of execution of the pre feasibility and feasibility stages of a project and their scope extent can have a profound impact on the successful outcome of the project. Adequate investment in these phases is necessary to ensure success.

A PFS typically addresses the following factors relating to the development of a mining project *i.e.* i) strategy and market analysis, ii) assessment of the likely technical and economic viability of a set of alternative mining, process, location, capacity and project configuration alternatives to determine and recommend the preferred alternative for a DFS, iii) determination of the material risks, key value drivers and risk/reward profile, iv) a description of the alternatives and final recommendation, and v) development of a work plan, schedule, cost, resources and services requirements necessary to undertake project development through the feasibility study to implementation.

The PFS report will typically contain the chapters described in the following sections plus an executive summary that clearly summarises the content of the study report in a concise manner and presents the project strategy and recommended project configuration to be studied further in the DFS stage.

2.2 *Market Analysis*

The objective of this work is to support PIOM's PFS with an overview of the current and projected global iron ore industry – its products, suppliers, customers and cost drivers – and the positioning of Putu iron ore products in that competitive environment. This overview will include i) industry competitors, ii) market overview and iii) industry cost drivers. The data presented will be drawn together and some concluding remarks offered which detail both the

historical and future attractiveness of the iron ore industry with particular focus on the dynamics of the Atlantic Basin. A marketing and pricing strategy for the Putu iron ore products will be presented.

2.3 *Geology and Mineral Resources*

PIOM will continue to load and maintain a comprehensive electronic database that contains records of numerous attributes of geological samples, as well as results of tests to establish the quality (accuracy and precision) of the geological data, and metadata recording test methods, batch numbers, limits of detection, *etc.* The contents of the geological database will be reviewed against original survey records, geological logs, and laboratory reports to establish the reliability of the information within the database.

The geological data will then be interpreted and the sequence subdivided into rock units that are meaningful to mining and/ or mineral processing, and are as mineralogically and grade homogenous as possible. The spatial distribution of these rock units will be interpreted, and samples assigned to these units. The data from samples within each unit would then be assessed to establish the characteristics of the unit, and the distance over which grades are statistically related within each unit (*i.e.* geostatistics).

A digital cellular resource model will be created that contains estimates of rock type, grades of mineralisation, and density of all rocks, for all rock units in the proposed volume to be mined. This resource model will be the basis for estimates of Mineral Resources, and mine design leading to estimates of Mineral Reserves. The estimates of Mineral Resources will be classified according to definitions in the CRIRSCO reporting template.

2.4 *Mining*

The PFS will investigate and report on a number of alternative scenarios to generate preliminary mine development plans to exploit the Putu iron ore resource. The aim is to narrow down the process and productivity alternatives into a single business case. The level of detail required in the study must be sufficient to ensure the alternatives are correctly ranked and the one selected scenario will deliver the best possible outcome.

The mine planning activities undertaken as part of the PFS will include provision of i) an overall description of the site layout, ii) a summary description of the key issues in describing the geological resource, including a description of the geological block model, material characteristics and resource estimate, iii) the key geotechnical parameters and hydrogeological considerations including wall stability, surface and groundwater conditions *etc.* iv) an understanding of the main environmental and cultural considerations, and v) a summary description of the assumptions used to generate a mine design to a high level of confidence (basis of design document), including the main economic criteria to be applied to the project, process recovery and marketing. The mining methods being considered will be then be discussed and defined.

The first task in the execution stage of the PFS will be to generate a mineable resource model, taking into account such factors as cut-off grade, ore dilution and ore recovery. This model will be used as the basis for the pit optimisation strategic study. The assessment of the model and project requirements will assist in the definition of the mine production rate for each of the alternative options. The preliminary definition of ore and waste will follow.

Based on reference to physical and economic parameters, a high level pit optimisation assessment will be undertaken. Once the optimum pit shells (including cut-back sequence) have been selected, a strategic approach to pit development will follow. An indicative pit design with mineral inventory statement will be created.

Scheduling of the mine will provide a practical mine production sequence for the development of the deposit. The period of assessment of the PFS production schedules would normally be annual. The PFS will also investigate the waste and overburden removal strategy and stockpile and dump designs. The task then is to investigate the material handling alternatives to establish truck fleet or other material handling configurations.

The operating and capital costs will then be estimated and will include high level manning and infrastructure requirements. A summary list of the mine equipment requirements will be made for each alternative, to suit the production constraints and mining method.

The alternative scenarios will then be tabulated and assessed with trade-off studies to arrive at a single “go forward” recommendation from the study. Technical risks associated with the mining aspects of the operation will then be discussed. A future work program will then be defined to further evaluate the recommended alternative.

2.5 Mineral Processing

The PFS will investigate and report on the various alternatives considered and the decision making process applied to determine the single, “go forward”, DFS case. The level of detail and depth of study required must be sufficient to ensure that the selected DFS case will lead to the most valuable outcome for PIOM giving full consideration of the risk vs. reward context.

A number of flow sheet options will be developed for the PFS. The study will examine all of these options and any others that might arise in sufficient detail to enable a decision to be made as to which should become the base case for the DFS. In doing so the following factors, amongst others, will be considered; ore characteristics, test work results, environmental impacts, capital and operating costs.

In the initial stage of the PFS the process design team will liaise with geologists and mining engineers to develop a preliminary product grade model to be used in pit optimisation exercises. Using the preliminary basis for design document prepared from the metallurgical test work programme as a starting point, the process design will be developed to provide, for each option, preliminary; design criteria, flow diagrams, mass balance, equipment selections, description and costs. The prediction and control of final product quality is a key element of the design which involves close cooperation between mining and process engineers. The planning of mine schedules, crushing campaigns, mine stockpiles and port stockpiles will be conducted as an iterative exercise. The PFS report will contain a description of the development of the final recommended flow sheet clearly demonstrating how the flow sheet was derived from metallurgical test work data (see section 1.4 above), experience at other mines and financial evaluation.

A review of available information will be undertaken by the PFS engineering contractor to identify key site information including i) geological setting, ii) climatic setting, iii) hydrological setting, iv) topographic data, and v) local and regional infrastructure. The results of the review will be referenced in conjunction with project requirements and constraints identified by PIOM and the PFS engineering contractor to identify a preferred plant location and site layout.

A preliminary geotechnical investigation will be carried out to assist in the selection of suitable locations for plant and infrastructure facilities and to provide preliminary data for foundation and structural design.

Based on the process mass balances equipment selections and sizing will be determined for each option and a mechanical layout prepared. Preliminary 3D models will be developed

including mechanical equipment layout and arrangement, structural elements and piping. Material quantities derived from these models and from preliminary engineering designs will be used in capital cost estimating. Preliminary power generation, distribution and control designs will be prepared. The plant operating, manning and control philosophies will be agreed which provide input to the capital and operating cost estimates.

2.6 *Downstream Processing*

The following items will be identified and discussed in the PFS – i) pellet plant capacity, ii) pellet plant location, iii) iron ore type, iv) iron ore transportation, v) conceptual process flow diagrams, vi) induration technology, and vii) pellet product quality. A basis of design document will be prepared which will include the plant location and site description, indicating the type of iron ore to be processed and the transportation method, the climate conditions of the area, wind and seismic criteria, plant capacity, induration technology and productivity. A series of preliminary laboratory tests will be performed to determine the pellet plant operating requirements and characteristics. Preliminary calculations – mass balances, specific consumptions, capex and opex estimations – will be developed during the study to visualize the technical and economical feasibility of the potential pelletizing project. In the PFS sufficient process and other discipline engineering will be carried out in order to define the pellet plant capital and operating costs at a level of accuracy commensurate with enabling a decision to be made regarding the overall economic and technical feasibility of constructing a pelletizing plant.

The PFS will also apply a reliable methodology for iron-making technology selection, which is based on a two-stage approach. The first stage will include a broad evaluation of all available site specific data followed by selection of up to three candidate iron-making technologies based on a risk analysis, simple pay-back period calculation, factored capital cost analysis and operating cost estimates. The second stage will consist of a detailed financial analysis of the shortlisted iron-making technologies, resulting in a final selection of the best suited technology. During the first stage of evaluation a preset process of technical and economic analyses will be applied to screen and filter all available technologies. The key evaluation metrics will be as follows i) requirements for the final steel product, ii) requirements and availability of raw materials, iii) reductants and fuel requirements and their related quality, iv) the principles of operation, v) a concept level flow sheet for each technology, vi) a mass and energy balance and estimation of the consumption numbers, vii) a review of scaling principles for each technology, viii) analysis of the technical issues, ix) risks assessment with respect to scaling, state of the development of the technology, and complexity of the operation, x) the estimated operating cost based on the key cost drivers and best practice operating conditions, and xi) the complete capital cost estimate, including core process units as well as any infrastructure directly associated with the process. The second stage of the review process will involve a detailed financial analysis. This will include the analysis of local tax and depreciation implications and an analysis of sustainable maintenance capital. These aspects of the project are best evaluated utilizing an IRR/NPV estimate, based on discounted cash flow analyses and analysis of project financing impact.

2.7 *Infrastructure*

Corridor infrastructure, specifically road and rail access to the project site is a key component of the project and will require assessment during the PFS. Work will include surveying and mapping, geological and geotechnical, and bathymetry and coastal engineering. Preliminary environmental and social impact statements, especially in relation to Sapo National Park will

also be required. The PFS engineering and cost estimates will be developed to the extent that a single preferred option can be identified.

The PFS scope of work for the railway will include i) a desktop review of existing documentation and identification of route selection constraints including any cadastral, geotechnical, hydrological, community and environmental issues, ii) the assessment and selection of preferred routes, including survey and measurement where necessary, iii) conceptual civil design for the preferred routes including development of cut and fill requirements, typical formation designs, hydrological assessment of major creek crossings and preparation of drawings with typical bridge and culvert details where required, iv) identification of track ballast source(s), v) calculations of optimum train sets required, vi) preliminary design of mine and port marshalling yards and loading/unloading facilities and signaling, communications and control systems, and vii) preliminary assessment of operations and maintenance requirements.

The PFS scope of work for the port facility will include i) an optimised port location using existing data and Admiralty charts, and determination whether the vicinity of King Williams Town or of Greenville is the preferred site, ii) a review of existing hydrological and geological data, iii) a review of the inlet channel and a preliminary estimate of dredging requirements, iv) an optimised vessel size using the port, and v) a preliminary design of the quays and jetty.

The PFS scope of work for site infrastructure engineering will include evaluation of i) water supply, storage and reticulation, ii) sewage collection and treatment, iii) a site layout plan, iv) site earthworks and drainage, v) airport, vi) tailings storage facility, vii) accommodation, viii) industrial buildings, ix) power supply.

2.8 *Human Resources*

The PFS will include an examination, at a high level, of the Human Resources (**HR**) issues associated with the operational philosophy and management strategies identified for the project. Issues to be addressed include organisational philosophy and model, cultural fit, skills requirements, employee relations, recruitment and training and the statutory environment. Cost estimates for initial recruitment and training and ongoing HR related activities will be prepared and included in the financial evaluations.

2.9 *Project Execution*

The PFS will develop and describe a recommended project execution approach, it should describe the alternatives considered and clearly explain why the recommended approach has been selected. The preliminary project execution plan will address project scope, design criteria, product specifications, quality controls and key safety, health, environmental and security issues. A facility and package work breakdown structure will be developed as a basis for engineering, estimating and cost control. A recommendation will be made on the approach to engineering and the standards to be applied. Execution methodologies and contracting strategies will be examined and a preferred selection made which will form the basis of the PFS and subsequent DFS. This will include procurement and contracting strategies for execution, equipment and consumables. A high level project development schedule showing major DFS, engineering, construction, commissioning, start-up and ramp up activities will be developed.

2.10 *Operations Management*

The PFS will address the establishment, commissioning, start up and operating needs of the project in terms of the operating philosophy, owner or contractor, organisation and consequent labour, industrial relations and logistical requirements. Specific issues to be addressed include organisational structure, resources required and source, conditions of employment, accommodation, transport logistics and administration.

2.11 *Information Management*

During the PFS stage the information management and technology requirements of the project during both the execution and operating phases will need to be addressed. Preliminary plans and systems will be developed for the capture, sharing and transfer, back-up and security of data, information and knowledge.

2.12 *Health, Safety, Environment and Community*

For a PFS the role of the environmental and social impact team members is to better define i) the environmental legislation and international guidelines the project will need to comply with, ii) the environmental and social footprint for the project, iii) the key environmental and social risks, and iv) finally to communicate the findings and recommendations for management measures to the project engineering design team. This will allow environmental and social issues to be identified early and incorporated into environmental and social design criteria and environmental and social management plans for the project.

At the PFS stage it will be important to gain a thorough understanding of the legislative framework as it applies to environmental and social aspects of major projects such as this. This will enable strategies/plans to be developed and implemented with respect to gaining access and tenure to the required deposits and land and achieving government approval for the project. In addition to meeting the environmental legislation requirements of the Government of Liberia, it is considered best practice to also match the guidelines issued by international agencies, in particular the World Bank's (**WB**) Equator Principles and the International Finance Corporation's (**IFC**) Performance Standards. The IFC requirements must be complied with if finance is sought from an Equator Principles financial institution.

The PFS stage of a project is when information and data relating to the environmental and social footprint of the project is collected. This information will be collected through initial baseline studies, as well as through ongoing environmental monitoring of the project activities over the duration of the exploration phase of works. In order to fully assess the environmental impacts of the project will be necessary to have data available that represents the environmental baseline prior to commencement of development activities associated with the project. It is anticipated that there is minimal environmental or biodiversity information currently available at the required level of detail for the areas that fall within the project footprint. It will therefore be necessary to engage suitably qualified professionals to undertake baseline studies. It will be important to commence these studies at an early stage in the project lifecycle to allow sufficient time to collect data in both wet and dry seasons where relevant. It will also be important to have the information available prior to the project design being fixed because late design changes to mitigate environmental or social impacts can add unnecessary cost and result in delays. The Environmental and Social Impact Assessment (**ESIA**) Scoping Study will define the baseline data required but it is envisaged that the following surveys/studies will be required i) a review of the project areas with respect to protected areas, ii) vegetation and fauna surveys of the areas impacted by the project, iii)

background air quality survey, iv) surface and groundwater studies, v) climate and noise surveys and vi) a marine survey at the proposed location for the port.

In order to fully assess the social impact of the project on human communities likely to be affected by the project, it will be necessary to collect baseline data in the following areas i) social footprint of the project, ii) social and administrative structures within the region, iii) demographic study, iv) education and health statistics, v) land use and tenure, vi) livelihood activities & employment opportunities, vii) cultural heritage, public attitudes and perceptions and infrastructure and public services. At the PFS stage the social professionals on the project team will also commence the compilation of a stakeholder register. The stakeholders will include government agencies, non-government organisations (*NGO*'s) and key members of the local communities. In addition a consultation strategy and a stakeholder engagement plan will be developed and implementation of the consultation plan will also commence at this stage.

The information collected as a result of the studies outlined above will be collated, summarised and presented as a report, or Project Brief, prepared pursuant to section 8 of the Environment Protection Law. The Project Brief will enable a preliminary assessment of potential environmental and social impacts to be conducted. The project Brief will also be used in later stages of the project such as the Environmental and Social Impact Assessment process and in the preparation of environmental and social management plans. Preliminary Environmental and Social Design Criteria (*ESDC*) will be prepared for the project. The *ESDC* will be based on Liberian legislative requirements, World Bank guidelines, World Health Organisation (*WHO*) guidelines, best practice guidelines and other appropriate standards and limits together with PIOM's environmental and social objectives. Social criteria will include the findings of the study of people's perceptions and values. The criteria will cover all aspects of the project. The *ESDC* is a document that will be used by the design team to ensure the project achieves the required level of performance with respect to environmental and social impacts. In order to achieve development approval from the Government of Liberia it will be necessary to conduct an environmental and social impact assessment for the project. The Scoping Study for the ESIA will be developed during the PFS and will include terms of reference for the subsequent Environmental Impact Study. The Scoping Study will reflect the potential environmental and social footprint of the project and be based on the requirements of the Government of Liberia (*i.e.* section 11 of the Environment Protection Law) and/or the World Bank/IFC as appropriate. The Scoping Study will be issued to government agencies and other relevant stakeholders for comment prior to commencement of the baseline data collection studies to ensure that it aligns with their expectations.

2.13 Capital Cost Estimates

The capital cost estimates prepared for each project alternative at the PFS level will typically have an accuracy range of $\pm 25\%$, sufficient for ranking, rejection and selection of alternatives. The estimates will be prepared using a mixture of detailed costing; budget quotes, database costs, preliminary engineering, and factored costing using industry accepted experience factors. A preliminary risk analysis will be applied to cost and schedule using probabilistic analysis techniques. This will assist in determining the quantification of the project contingencies (capital and schedule) and the associated reserves or risk amounts that are congruent with the risk appetite of the project.

2.14 Operating Cost Estimates

The operating cost estimates prepared for each project alternative at the PFS level will typically have an accuracy range of $\pm 25\%$, sufficient for ranking, rejection and selection of alternatives. The estimates for consumables, labour, spares, administration, etc. will be prepared using a mixture of detailed costing; budget quotes, database costs, preliminary engineering, and factored costing using industry accepted experience factors.

2.15 Ownership, Legal and Contractual

This chapter of the PFS will address issues relating to ownership of the resource, royalties, ownership of land and surface rights and the status of any negotiations pertaining thereto. It will also address sovereign risk, the legal and regulatory systems applicable and taxation. At the PFS stage the intended contractual strategies for sales and marketing, labour, major inputs (electricity, water, etc.) and intellectual property will be developed.

2.16 Financial Evaluations

A complete financial evaluation of the selected alternative only will be presented in the PFS report. It will be structured so as to address PIOM's investment criteria and hurdles and may be carried out by PIOM or by the PFS contractor. The economic analysis for a major project such as Putu is intended to capture all of the key aspects of the preliminary work that has been completed (engineering, market study, etc.) to develop potential outcomes that can be used to evaluate potential opportunities and risks. During the PFS, a number of options will be evaluated at a sufficient level of detail to select a preferred alternative for the subsequent DFS. The economic analysis at this stage of development will be budgetary, to help i) determine the validity of the business case, ii) select the best project option, iii) set project objectives, including target cost and schedule, iv) decide on whether to proceed to a DFS ("go or no-go decision point"), and v) define the scope and work plan for a DFS.

Discounted cash flow (**DCF**) analysis is a valuation method used to estimate the attractiveness of an investment opportunity using future free cash flow projections and discounting them (using the weighted average cost of capital) to arrive at a present value, which is used to evaluate the potential for investment. If the value arrived at through DCF analysis is higher than the current cost of the investment, the opportunity may be a good one. A DCF model will be developed for Putu, including the following key inputs i) revenues and production rate will be based on projected throughput and iron ore prices taken from the preliminary market study, ii) capital and operating cost estimates, iii) a preliminary estimate of working capital requirements, iv) a proposed capital structure and proposed financing, discussed and agreed with PIOM's shareholders to determine the appropriate cost of capital (preliminary at this stage), v) an allowance for taxes based on local regulations, vi) foreign exchange rate assumptions taken from consensus forecasts, and vii) a list of risk items not included in the capital cost estimate will be prepared, and an allowance made for risk management and mitigation (based on experience and benchmarking).

The financial model will be used to evaluate, for each option being considered, i) project internal rate of return (**IRR**), ii) net present value (**NPV**), iii) payback period, and iv) sensitivity of NPV to variations to major input parameters, including product price, capital cost, major operating cost inputs (diesel, labour, etc.), foreign exchange rate, and other relevant variables. The results will be used to help determine the viability of the project, areas of potential risk and opportunity and the best project option for the subsequent DFS.

2.17 Work Plan

As part of the PFS a work plan for the further development of the project will be prepared which will include i) activities that need to be completed before commencing the DFS, ii) DFS activities, iii) pre-project commitments required, iv) a detailed DFS schedule, v) a preliminary project schedule, and vi) a DFS cost estimate.

Schedule 5
Shareholders, Affiliates and Related Matters
(Section 21.1(c))

Putu Iron Ore Mining Inc. (**PIOM**) is a Liberian legal entity registered with IBC N° 120 505 on 12th May 2005 at Mano House, Gibson Avenue, Mamba Point, Monrovia, Liberia. PIOM was formerly known as Mano River Iron Ore (Liberia) Inc., but the company's name was changed effective 10th June 2008. PIOM is the party to the Iron Ore Appraisal and Exploration Agreement for the Putu Range dated 18th May 2005.

The directors and executives of PIOM are as follows:

- Alexey Borisov, Russian citizen, nominated by Lybica Holding BV
- Boris Granovsky, Russian citizen, nominated by Lybica Holding BV
- Alexander Grubman, Russian citizen, nominated by Lybica Holding BV
- Luis da Silva, Portuguese citizen, nominated by Mano River Iron Ore Holdings Ltd.
- Ronnie Addy, Liberian citizen, nominated by Mano River Iron Ore Holdings Ltd.
- Nigel Kieser, British citizen, Chief Executive Officer

PIOM is 100%-owned by Mano River Iron Ore Limited (**MRIOL**), a Seychelles entity registered with company number 020618 on 13th May 2005 at Suite 13, Oliaji Trade Centre, Francis Rachel Street, Victoria, Mahe, Seychelles. The sole purpose of MRIOL is to act as a holding company for PIOM.

The directors of MRIOL are as follows:

- Alexey Borisov, Russian citizen, nominated by Lybica Holding BV
- Boris Granovsky, Russian citizen, nominated by Lybica Holding BV
- Luis da Silva, Portuguese citizen, nominated by Mano River Iron Ore Holdings Ltd.

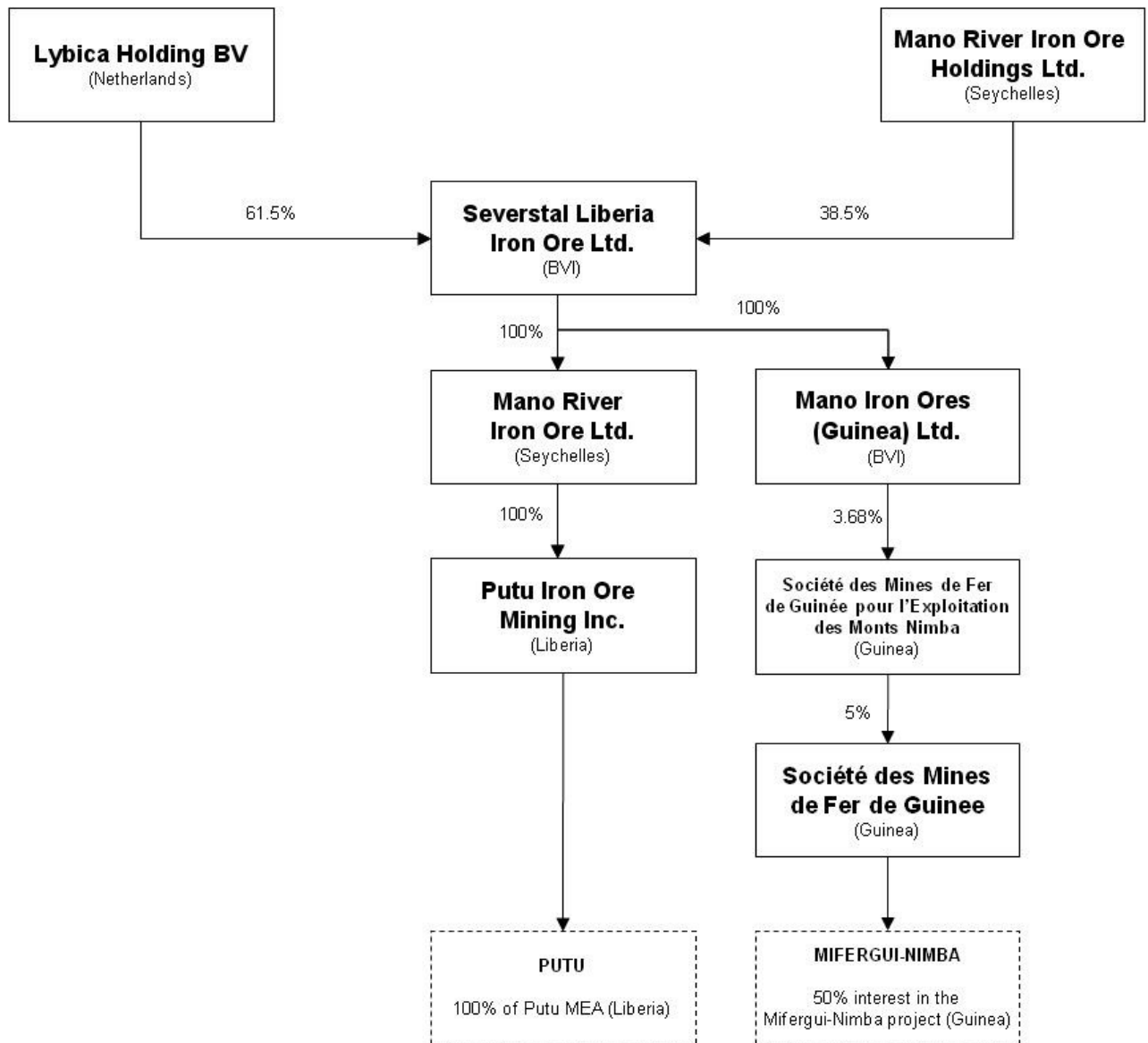
MRIOL is in turn 100%-owned by Severstal Liberia Iron Ore Limited (**SLIO**), a BVI entity registered with company number 1058041 on 19th October 2006 at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, BVI. SLIO was formerly known as African Iron Ore Group Ltd., but the company's name was changed effective 11th December 2008. The sole purpose of SLIO is to act as the joint venture holding entity between Severstal Resurs and Mano River Resources in respect of iron ore interests in Liberia (Putu) and Guinea (Mifergui-Nimba). This joint venture is governed by the Shareholders' Agreement between SLIO, Mano River Iron Ore Holdings Ltd., and Lybica Holding BV dated 10th December 2008.

The directors of SLIO are as follows:

- Alexey Borisov, Russian citizen, nominated by Lybica Holding BV
- Boris Granovsky (Chairman), Russian citizen, nominated by Lybica Holding BV
- Alexander Grubman, Russian citizen, nominated by Lybica Holding BV
- Luis da Silva, Portuguese citizen, nominated by Mano River Iron Ore Holdings Ltd.
- David Evans, British citizen, nominated by Mano River Iron Ore Holdings Ltd.

SLIO holds its Guinean iron ore interests *via* a second, 100%-owned, subsidiary called Mano Iron Ores (Guinea) Limited (**MIOG**), a BVI entity registered with company number 629490 on 9th December 2004 at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, BVI. MIOG's sole purpose is to hold a 3.68% stake in Société des Mines de Fer de Guinée pour l'Exploitation des Monts Nimba (**Mifergui-Nimba**), a Guinean entity which in turn holds 5% of Société des Mines de Fer de Guinée (**SMFG**), another Guinean entity which in turn holds a 50% stake in the Mifergui-Nimba iron ore project in Guinea. Mifergui-Nimba's 5% stake in SMFG is free carried for the first US\$100 million of investment in the project. MIOG's sole director is Luis da Silva.

Ownership Structure of PIOM



SLIO is itself 61.5%-owned by Lybica Holding BV, a Severstal subsidiary incorporated in the Netherlands, registered with company number 20070419 on 27th September 1993 at Strawinskyiaan 3105 Atrium, 1077ZX, Amsterdam. Equity Trust Company NV acts as Lybica's sole corporate director. The remaining 38.5% of SLIO is held by Mano River Iron Ore Holdings Ltd (**MRIOH**), an African Aura Mining subsidiary incorporated in the

Seychelles, registered with company number 022186 on 20th July 2005 at Suite 13, Oliaji Trade Centre, Francis Rachel Street, Victoria, Mahe, Seychelles. The sole executive director of this entity is Luis da Silva, Chief Executive Officer.

With respect to MRIOH, it is 100% owned by Mano River Resources, renamed African Aura Mining (*AAM*) on 13th October 2009. *AAM* is a company registered in Canada with company number BC0864969 on 19th March 1996, at Suite 3350 Four Bentall Centre, 1055 Dunsmuir St, Vancouver V7X 1L2, Canada. As at 30th July 2010, *AAM* had three shareholders with holdings above 5% specifically CDS & Co (11.04%, Canada's central depository for securities), JP Morgan Asset Management (9.65%, investment fund), and Artio Global Management (7.3%, investment fund). None of these shareholders have management rights. The directors of *AAM* are as follows:

- David Netherway (Chairman), Australian citizen
- Luis da Silva (Chief Executive Officer), Portuguese citizen
- Boris Granovsky, Russian citizen
- David Evans, British citizen
- Guy Pas, Belgian citizen
- Steven J. Poulton, British citizen

AAM is a company listed on the Toronto Venture Stock Exchange (*TSX-V*) and on the London Alternative Investment Market (*AIM*).

The sole shareholder of Lybica Holding B.V. is LLC "Mining Holding Company", a company registered in Russia. The sole executive director of this entity is Valery Borisov (Russian citizen), General Director. LLC "Mining Holding Company" is in turn, more than 99.9%-owned by JSC "Severstal", another Russian entity. The main shareholders of JSC "Severstal" are Astroshine Limited (19.99% stake, Cyprus), Pearlgreen Limited (15.03% stake, Cyprus), Loranel Limited (19.99% stake, Cyprus), Rayglow Limited (9.41% stake, Cyprus), and Deutsche Bank Ltd. (Russia), a trust bank with a 24.67% stake. Alexei Mordashov (Russian citizen) is the ultimate beneficiary of the first four of these entities. The directors of JSC "Severstal" are as follows:

- Christopher Clark (Chairman)
- Alexei Mordashov (Chief Executive Officer)
- Rolf Stomberg
- Martin Angle
- Ronald Freeman
- Peter Kraljic
- Sergei Kuznetsov
- Anatoly Kruchinin
- Mikhail Noskov
- Alexey Kulichenko (Chief Financial Officer)

The ownership structure of PIOM is shown above. In general, the ownership structure of PIOM is intended to maximise commercial flexibility with respect to Severstal and *AAMs'* African iron ore interests. The structure also mitigates certain offshore tax risks.

Exhibit 1 to
Putu Iron Ore Mining MDA

Form of Mining License

CLASS A MINING LICENSE

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

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

WITNESSETH:

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

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

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

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

Grant of Mining License

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

Term of License

2. The initial term of the Mining License shall commence on the date first above written and shall be for twenty-five (25) years unless earlier terminated pursuant to any

Section of the MDA. The CONCESSIONAIRE shall have the right to renew the Mining License, for consecutive additional terms not to exceed twenty-five (25) years each subject to the provisions of the MDA.

Discovery of Other Minerals

3. Subject to any prior rights of third parties arising as a result of exploration activities of such third parties permitted under Section 4.5 of the MDA, if the Company discovers other Minerals within a Production Area the Company may apply for an amendment to this Mining License or for a new Mining License to cover the new Minerals in accordance with this Mining License and the Agreement and the Government shall not unreasonably withhold its approval of such amendment or grant of a new Mining License provided that the Company has submitted to the Government an amendment to the existing Feasibility Report or, at the Government's discretion, a new Feasibility Report, for such other Minerals.

Additional Exploration within the Proposed Production Area

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

Surface Rights

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

Rights to Dispose of Minerals

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

Reports by the CONCESSIONAIRE

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

Inspection of Mining Premises and Books

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

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

MINISTER OF LANDS, MINES & ENERGY

Name:

ACKNOWLEDGED AND AGREED:

By: PUTU IRON ORE MINING, INC.

Name:

Title:

ANNEX I to the MINING LICENSE

DEFINITION OF THE PROPOSED PRODUCTION AREA

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

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

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

Vertices	Northing	Easting
1		
2		
3		
4		
5		
6		
7		
8		

(See map on following page)

Exhibit 2 to
Putu Iron Ore Mining MDA

Form of Guarantees

FORM OF EXPLORATION GUARANTEE

THIS GUARANTEE (this “Guarantee”) is made as of _____ [__], 2010 by Mining Holding Company LLC, a [**Insert registered location**] entity (“Guarantor”), to and for the benefit of the Republic of Liberia (“Beneficiary”).

WITNESSETH:

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

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

- 1 Guarantor hereby irrevocably, unconditionally and absolutely guarantees any obligation or liability of the Company under Section 10.1 of the Exploration Regulations with respect to any Exploration conducted pursuant to the MDA, provided, that in no event shall Guarantor be obligated to expend more than the amount in U.S. Dollars equal to 15% of the Approved Work Program pursuant to this Guarantee (the “Guaranteed Obligations”), regardless of whether recovery on such Guaranteed Obligations may be or hereafter become barred by any statute of limitations or such Guaranteed Obligations may otherwise be or become unenforceable subject to clause 12.
- 2 Guarantor agrees that this Guarantee shall be deemed a continuing guarantee of those Guaranteed Obligations. Guarantor hereby expressly acknowledges and agrees that, notwithstanding anything to the contrary set forth in the MDA, for purposes of this Guarantee, “Guaranteed Obligations” shall be deemed to include all the obligations and liabilities of any Affiliate of the Company to which such rights and obligations under the MDA have been assigned.

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

- 10 Guarantor hereby represents and warrants that: (i) the execution, delivery and performance by Guarantor of this Guarantee and the fulfillment of and compliance with the terms and provisions hereof have been duly authorized by Guarantor (with such authorization in full force and effect), and do not and will not conflict with or violate any provision of its formation or organizational documents or conflict with, or result in any breach of, or constitute a default under, any agreement to which Guarantor is a party or by which Guarantor is bound; (ii) no other action is necessary for Guarantor to enter into this Guarantee; (iii) this Guarantee constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms; and (iv) Exhibit A attached hereto sets forth a true, correct and complete copy of the most recent balance sheet of the Guarantor which balance sheet, has been prepared in accordance with GAAP or IFRS and presents fairly in all material respects the financial position of Guarantor as of the dates indicated therein.
- 11 Within 120 days following the end of each financial year of Guarantor, Guarantor shall deliver to Beneficiary the financial statements and opinion regarding Guarantor (as opposed to the Company) described in Sections 17.4 (a) and (b), respectively, of the MDA.
- 12 This Guarantee shall remain in full force and effect and shall be binding on Guarantor, its successors and permitted assigns until the earliest of: (i) satisfaction in full of the Guaranteed Obligations; (ii) the payment by the Guarantor under this Guarantee of the maximum amount described in Section 1 hereof; and (iii) the date which is one year after the termination of all the Exploration Licenses.
- 13 All notices, demands, requests and other communications to Beneficiary or Guarantor hereunder must be in writing and shall be deemed to have been given: (i) on the date of personal delivery; or (ii) if sent by facsimile to the numbers shown below and followed with a telephonic confirmation or copy sent by first class mail, on the date of such facsimile transmission; or (iii) when properly deposited for delivery by commercial overnight delivery service, prepaid, on the date delivered, as set forth in the records of such delivery service; and shall be addressed as follows:

if to Beneficiary:

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

And

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

And

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

With a copy to

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

If to Guarantor:
[_____]

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

- 14 This Guarantee shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of laws principles thereof (other than Section 5-1401 of the New York General Obligations Law).
- 15 The parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Guarantee, or the transactions contemplated hereby, shall be brought in any federal court sitting in New York State, so long as one of such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Guarantee shall be deemed to have arisen from a transaction of business in the State of New York. Each of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or any objection that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on either Party anywhere in the world, whether within or without the jurisdiction of any such court.
- 16 If any term or other provision of this Guarantee is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Guarantee shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party; provided, however, that this Guarantee may not be enforced without giving effect to the provisions of

Section 1 hereof. No party hereto shall assert, and each party shall cause its respective affiliates not to assert, that this Guarantee or any part hereof is invalid, illegal or unenforceable. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Guarantee so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

- 17 This Guarantee may be executed and delivered (including by facsimile transmission) in two (2) or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.
- 18 Capitalized terms used but not defined herein shall have the meaning assigned to them in the MDA.

[Remainder of this page intentionally left blank: signature page follows.]

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

MINING HOLDING COMPANY, LLC

By: _____
Name: _____
Title: _____

ACCEPTED AND AGREED:

THE GOVERNMENT OF THE
REPUBLIC OF LIBERIA

By: MINISTER OF LANDS, MINES
AND ENERGY

By: MINISTER OF FINANCE

By: THE CHAIRMAN OF THE
NATIONAL INVESTMENT
COMMISSION

ATTESTED BY:

MINISTER OF JUSTICE
REPUBLIC OF LIBERIA

FORM OF MINING GUARANTEE

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

WITNESSETH:

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

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

- 1 Guarantor hereby irrevocably, unconditionally and absolutely guarantees any obligation or liability of the Company under, or undertaken in connection with Sections 6.2 and 20.5(a) of the MDA, provided, that in no event shall Guarantor be obligated to expend more than US\$50 million (the “Guaranteed Obligations”), regardless of whether recovery on such Guaranteed Obligations may be or hereafter become barred by any statute of limitations or such Guaranteed Obligations may otherwise be or become unenforceable.
- 2 Guarantor agrees that this Guarantee shall be deemed a continuing guarantee of those Guaranteed Obligations. Guarantor hereby expressly acknowledges and agrees that, notwithstanding anything to the contrary set forth in the MDA, for purposes of this Guarantee, “Guaranteed Obligations” shall be deemed to include all the obligations and liabilities of any Affiliate of the Company to which rights and obligations under the MDA have been assigned.
- 3 Guarantor hereby irrevocably waives (i) diligence, presentment, protest, notice of dishonor, demand, extension of time for payment, notice of non-payment, and indulgences and notices of every kind, (ii) any lack of validity or enforceability of this Guarantee, the MDA or any agreement or instrument relating thereto, and (iii) any other circumstance that might otherwise constitute a defense available to, or a discharge of Guarantor under, applicable law. Guarantor hereby consents to any and all forbearances and extensions of time of payment in connection with the MDA, and to any and all changes in terms, covenants, and conditions thereof; it being the intention hereof that Guarantor shall remain liable as a principal until all

Guaranteed Obligations shall have been fully satisfied, or this Guarantee is otherwise terminated under Section 12 hereof, notwithstanding any act, omission, or thing which might otherwise operate as a legal or equitable discharge of Guarantor.

- 4 Guarantor's obligations as guarantor shall not be impaired, modified, changed, released, or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of the Company or its estates in bankruptcy, resulting from the operation of any present or future provision of the bankruptcy laws or other similar statute, or from the decision of any court.
- 5 Beneficiary shall have the full right, in its discretion and without any notice to or consent from Guarantor, from time to time and at any time and without affecting, impairing, or discharging, in whole or in part, the liability of Guarantor hereunder: (a) to extend, in whole or in part, by renewal or otherwise, and on one or any number of occasions, the time for the performance of any term or condition of the MDA; (b) to settle, compromise, release, substitute, surrender, modify, or impair, to enforce and exercise, or to fail or refuse to enforce or exercise, any claims, rights, or remedies, of any kind or nature, which Beneficiary may at any time have against the Company.
- 6 This Guarantee is an absolute, unconditional and continuing guarantee of performance and not of collection. Guarantor hereby agrees that its obligations hereunder are irrevocable, and are independent of the obligations of the Company; that a separate action or actions may be brought and prosecuted against Guarantor regardless of whether any action is brought against the Company or whether the Company is joined in any such action or actions; and Guarantor hereby waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof.
- 7 In the event that Beneficiary retains or engages an attorney or attorneys to successfully enforce this Guarantee Guarantor shall reimburse Beneficiary for all expenses incurred, including attorneys' fees and disbursements in connection with such enforcement.
- 8 Guarantor shall have no right of subrogation whatsoever with respect to the Guaranteed Obligations or to any collateral securing such obligations unless and until such obligations have been paid in full.
- 9 Guarantor may not assign its obligations under this Guarantee to any Person without the prior written consent of Beneficiary. Guarantor agrees that this Guarantee shall be binding upon and enforceable against Guarantor and Guarantor's successors or permitted assigns.
- 10 Guarantor hereby represents and warrants that: (i) the execution, delivery and performance by Guarantor of this Guarantee and the fulfillment of and compliance with the terms and provisions hereof have been duly authorized by Guarantor (with such authorization in full force and effect), and do not and will not conflict with or violate any provision of its formation or organizational documents or conflict with, or result in any breach of, or constitute a default under, any agreement to which Guarantor is a party or by which Guarantor is bound; (ii) no other action is necessary for Guarantor to enter into this Guarantee; (iii) this Guarantee constitutes

a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms; and (iv) Exhibit A attached hereto sets forth a true, correct and complete copy of the most recent balance sheet of the Guarantor which balance sheet has been prepared in accordance with GAAP or IFRS and presents fairly in all material respects the financial position of Guarantor as of the dates indicated therein.

- 11 Guarantor shall within 120 days after the end of each financial year of the Guarantor deliver to Beneficiary the financial statements and opinion regarding Guarantor (as opposed to the Company) described in Sections 17.4 (a) and (b), respectively, of the MDA. Such information shall be accompanied by a certificate of the chief financial officer of Guarantor setting out whether or not, as at the balance sheet date covered by such financial statements, the Mining Guarantor Net Worth Requirements were satisfied and in the event that they were not so satisfied either attaching updated financial statements to a later date after the balance sheet date accompanied by a certificate setting out that the Mining Guarantor Net Worth Requirements have been satisfied as at the updated balance sheet date or setting out proposals for provisions of a replacement guarantee from a person who satisfies the Mining Guarantor Net Worth Requirements.
- 12 This Guarantee shall remain in full force and effect and shall be binding on Guarantor, its successors and permitted assigns until the satisfaction in full of the Guaranteed Obligations.
- 13 All notices, demands, requests and other communications to Beneficiary or Guarantor hereunder must be in writing and shall be deemed to have been given: (i) on the date of personal delivery; or (ii) if sent by facsimile to the numbers shown below and followed with a telephonic confirmation or copy sent by first class mail, on the date of such facsimile transmission; or (iii) when properly deposited for delivery by commercial overnight delivery service, prepaid, on the date delivered, as set forth in the records of such delivery service; and shall be addressed as follows:

if to Beneficiary:

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

And

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

And

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

With a copy to

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

If to Guarantor:
[_____]

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

- 14 This Guarantee shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of laws principles thereof (other than Section 5-1401 of the New York General Obligations Law).
- 15 The parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Guarantee, or the transactions contemplated hereby, shall be brought in any federal court sitting in New York State, so long as one of such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Guarantee shall be deemed to have arisen from a transaction of business in the State of New York. Each of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or any objection that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on either Party anywhere in the world, whether within or without the jurisdiction of any such court.
- 16 If any term or other provision of this Guarantee is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Guarantee shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party; provided, however, that

this Guarantee may not be enforced without giving effect to the provisions of Section 1 hereof. No party hereto shall assert, and each party shall cause its respective affiliates not to assert, that this Guarantee or any part hereof is invalid, illegal or unenforceable. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Guarantee so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

- 17 This Guarantee may be executed and delivered (including by facsimile transmission) in two (2) or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.
- 18 Capitalized terms used but not defined herein shall have the meaning assigned to them in the MDA.

[Remainder of this page intentionally left blank: signature page follows.]

Exhibit 3 to
Putu Iron Ore Mining MDA

Other Approved Fiscal Provisions

This Exhibit shall be read in conjunction with the Revenue Code. To the extent of any conflict with the Revenue Code, this Exhibit shall govern to the extent that this Agreement explicitly so provides.

PART II INCOME TAX

CHAPTER 7. INCOME TAXATION OF NATURAL RESOURCES

TABLE OF SECTIONS

Subchapter A. Mining

Section 701. Scope Of Subchapter
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Section 703. Valuation
Section 704. Royalties And Surface Rent
Section 705. Determination Of Taxable Income Of Mining Projects
Section 706. Special Rule For Depreciation
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Section 709. Special Rule For Exploration Costs
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Section 713. Transactions Between Related Persons
Section 714. Partnerships And Joint Ventures
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Section 730. Surtax On Income From High-Yield Projects
Section 731. Determination Of Expenditures For Section 730 Purposes
Section 732. Determination Of Total Revenues
Section 768. Cross-References

SECTION 700 - DEFINITIONS

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

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

SUBCHAPTER A. MINING

SECTION 701 - SCOPE OF SUBCHAPTER

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

SECTION 702 - RATE OF TAX

- (a) **Rate.** The rate of tax on taxable income from a mining shall be 30 percent.
- (b) **Surtax on Income from High-Yield Projects.** Income from a high-yield mining project, as defined in Section 730, shall be subject to a higher marginal rate of

income tax on taxable income under the conditions and using the calculation method set out in that section.

SECTION 703 - VALUATION

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

SECTION 704 - ROYALTIES AND SURFACE RENT

- (a) **Royalties.** A royalty is due and payable to the Government of Liberia at the time of each shipment and in the amount of the stated percent of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition:
 - (1) *Iron ore.* 4.5 percent.
 - (2) *Gold and other base metals.* 3 percent.
 - (3) *Commercial diamonds.* 5 percent.
- (b) **Surface Rent.** A producer who has entered into an MDA shall pay an annual surface rent.
 - (1) The surface rent is:
 - (A) **Land within a mining exploration contract area.** US\$0.20 (Twenty United States Cents) per acre.
 - (B) **Land within a mining license contract area.**
 - (i) Contract Year 1-10 US\$5.00 per acre.
 - (ii) Contract Year 1 1-25 US\$10.00 per acre.
 - (2) Annual payments are due on or before the effective date of the agreement and on the agreement anniversary date thereafter.
 - (3) Surface rent amounts stated in this section shall be subject to inflationary adjustment in accordance with the GDP Implicit Price Deflator as published and revised from time to time by the U.S. Department of Commerce Bureau of Economic Analysis ("the deflator"). The inflation-adjusted rent shall be effective January 1 of each calendar year based on the ratio of the value of the revised deflator for the second quarter of the immediately preceding calendar year to the value of the revised deflator for the second quarter of 2008.

SECTION 705 - DETERMINATION OF TAXABLE INCOME OF MINING PROJECTS

- (a) **Gross Income.** The gross income of a mining project includes-
- (1) All revenues resulting from production and other operations carried out under the project's mining license;
 - (2) Any other income that the project receives from business activity or investment accruing in, derived from, brought into or received in Liberia, including currency gains when realized (but not gains from hedging transactions), less the deductions set forth in subsection (b).
- (b) **Deductions Allowed from Gross Income.** In accordance with the rules of Chapter 2, all expenditures incurred during the tax period wholly, exclusively and necessarily in connection with project operations (including non-capital operating costs but excluding capital costs except to the extent of the annual allowance for depreciation), are allowed as deductions, including but not limited to the following items:
- (1) Royalties and surface rent (as specified in Section 704); and fees and rent paid for the privilege of a Class A mining license in accordance with the Mining Law.
 - (2) An allowance for depreciation of mining plant and equipment in accordance with the depreciation rules of Chapter 2, subject to the special rule of Section 706.
 - (3) A carry forward of net operating loss from a prior year to the extent permitted under Section 203(e) as modified by Section 707.
 - (4) Interest on any indebtedness of the project, and other financing costs incurred in connection with operations and paid to an affiliate or to a third party, for the tax period incurred, subject to the special rule of Section 708.
 - (5) Exploration expenditures as specified in Section 709.
 - (6) Payments to a Government-approved trust fund for mining reclamation, subject to the specific limitations set out in Section 710.
 - (7) Any taxation amount determined under Section 730 and paid during the tax period.
 - (8) Subject to the provisions of Chapter 2, management fees paid, whether to an affiliate or to a third party, but not the amount in excess of 2 percent of other operating expenses incurred for the tax period.
 - (9) Subject to the provisions of Section 203(c), the amount of bad debt incurred, so long as that amount was subject to income taxation in a prior tax period.
 - (10) Charitable contributions made in Liberia to a qualifying organization within the meaning of section 205 for educational or community development

projects, social welfare, or medical purposes or for the provision of other social services.

(11) Expenses related directly to the project's "other income" under subsection (a) (2), to the extent otherwise allowable as a deduction under Chapter 2 and this Chapter.

(c) ***Deductions Not Allowed.*** The following expenses are not allowed as a deduction from gross income:

(1) A payment to an expatriate employee as reimbursement for taxes and duties paid by the employee to the Government.

(2) A loss from a hedging transaction.

(3) (“.....”)

(4) (“.....”).

SECTION 706 - SPECIAL RULE FOR DEPRECIATION

(a) ***Commencement of Period.*** For property placed in service before the start of commercial production, the period for depreciation of property described in Section 204(b) shall begin in the first tax period in which commercial production begins.

(b) ***Tangible Moveable Property.*** The cost of tangible moveable property shall be recovered over the period and by the method described in Section 204(b)(1).

(c) ***Five-Year Cost Recovery Period.*** In place of the 15-year period set out in Section 204(b) for recovering the cost of tangible fixed property and intangible property, a mining project shall be entitled to recover the cost of this property on an asset-by-asset basis using the straight-line method over a five-year period at the rate of 20 percent per year.

- (d) **15-Year Cost Recovery Period.** A project's tangible fixed property outside the project's production area (or beginning inside and extending outside) shall be depreciated on an asset-by-asset basis over a 15-year period or the expected period of commercial production (whichever is shorter) using the straight-line method.
- (e) If a project is terminated before the end of the cost recovery period, the remaining unrecovered cost is treated as an expense deduction in determining taxable income for the tax period in which the project is terminated.

SECTION 707 - SPECIAL RULE FOR NET OPERATING LOSS CARRYFORWARD

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

SECTION 708 - SPECIAL RULE FOR INTEREST DEDUCTION

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

SECTION 709 - SPECIAL RULE FOR EXPLORATION COSTS

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

SECTION 710 - SPECIAL RULE FOR DECOMMISSIONING EXPENSES

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

- (b) **Recapture.** An amount taken as a deduction under subsection (a) but not used for the specified purpose-
 - (1) If remaining after the tax period in which commercial production ends, shall be included in income for the following tax period; or
 - (2) If used for another purpose, shall be included in income in the tax period within which the amount is so used.

SECTION 711 - TREATMENT OF PROPERTY TRANSFERS

- (a) **General Rule.** Unless an exception applies under this Chapter, a project's gain or loss on the transfer of depreciable property used by the project is treated in accordance with section 204. Transfer of non-depreciable property used in the business, or transfer of property other than property connected with mining (“.....”), is determined in accordance with the property transfer rules of Section 207.
- (b) **Special Cases.**
 - (1) **Hedging.** Hedging transactions by a mining project are taxable as a separate business activity, and hedging gains and losses incurred are not includible or deductible in determining taxable income of the project or for the purposes of Section 730.
 - (2) **Investment Gain.** Gain on property the project holds for investment is determined under Section 207 and is includible in income of a project, except to the extent reduced by investment loss under the rule of Section 203(b)(2).

SECTION 712 - SUCCESSOR AGREEMENT; TRANSFER OF INTEREST IN PROJECT

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

- (2) The transferor of the interest shall determine gain or loss under Section 207, which also applies to determine the transferee's tax cost in the interest.

SECTION 713 - TRANSACTIONS BETWEEN RELATED PERSONS

- (a) **General Rule.** A project's gain, loss, and other tax consequences in transactions with related persons are subject to in Section 10(bb) (in Part I, General Provisions) and Section 208, Related Persons (in this Part).
- (b) **Transfer Pricing.** A transaction with respect to production between a producer and a related person shall be on the basis of competitive international prices and such other terms and conditions as would be fair and reasonable had the transaction taken place between unrelated parties dealing at arms' length.
- (c) **Advance Pricing Agreement.** The Government of Liberia may enter into an advance pricing agreement with a producer, and a related person to establish the method by which prices will be determined in related-party transactions.
- (d) **Disclosure.** A producer must-
- (1) Disclose related-party transactions and contemporaneously document the manner in which prices are set in transfers to related persons.
 - (2) Notarize an agreement governing a related-party transaction in accordance with the law of the related person's country of residence.
- (e) **Guidelines.** The Minister shall follow OECD transfer pricing guidelines in evaluating the validity of the price set in a related party transfer.

SECTION 714 - PARTNERSHIPS AND JOINT VENTURES

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

SECTIONS 715-729 - RESERVED

SECTION 730 - SURTAX ON INCOME FROM HIGH-YIELD PROJECTS

- (a) **Purpose.** This section applies to determine whether a project licensed under the Mining Law is sufficiently high-yield to be subject to surtax and, if so, the amount of tax.
- (b) **Definition of High-Yield.** A project is considered high-yield and thus subject to surtax when the project's pre-tax rate of return on total investment is greater than 22.5 percent, the threshold rate of return for application of this Section.
- (c) **Method to Calculate Yield.** A project's accumulated negative net cash flow shall be determined by applying an annual accumulation factor of 1.225 to negative net cash flow carried forward from a prior tax period. At the close of each tax period, accumulated negative net cash flow carried forward from the prior period shall be increased by current negative net cash flow or offset by current positive net cash flow. A project is not high-yield and subject to surtax unless its accumulated net cash flow at the close of a period is positive.
- (d) **Surtax Rate.** Positive net accumulated cash flow at the close of a tax period is taxable at a rate of 20 percent, and the amount of this liability is deductible from gross income for the tax period.
- (e) **Re-Set Accumulation to Zero.** Following a tax period for which tax is due under this section, a project's accumulated negative cash flow is re-set to zero and the method of subsection (d) is re-applied using zero as the starting point for the succeeding tax period.
- (f) **Steps to Calculate Yield.** Beginning with the first tax period in which a project has a class A mining license and has begun construction, the following steps are used to calculate yield in accordance with subsection (d).
 - (1) **Cost.** State the expenditures, as specified in Section 731, for the tax period. This is the project's cost through the close of the period. Go to Step 2.
 - (2) **Revenues.** State the project's revenues, as specified in Section 732, for the tax period, including revenues, if any, from the exploration period as defined in Section 700. This amount is the project's *revenues* through the close of the period. Go to Step 3.
 - (3) **Test Net Cash Flow.**
 - (A) **Determine net cash flow.** Subtract from *revenues* the amount of *cost* to arrive at net cash flow ($R - C = NCF$).
 - (B) **Net cash flow zero or negative.** If net cash flow is zero or negative, the project is not yet a high-yield project and the surtax does not apply. Multiply the negative net cash flow by 1.225 to arrive at the project's *accumulated negative net cash flow* to be carried to the next tax period. Go to Step 4.

- (C) **Net is positive.** If net cash flow is positive, tax is determined under subsection (e), and this amount is deductible in determining taxable income under Section 703. Accumulated negative net cash flow is re-set to zero in accordance with subsection (f). Go to Step 4.
- (4) **Reprise.** Re-apply steps (1) through (3) for each succeeding tax period, beginning with the period after the one tested under Step 3-
 - (A) Add costs incurred in the succeeding period to any accumulated negative net cash flow carried from the prior period (zero if re-set) as under Step 1. Go to (B).
 - (B) State revenues for the succeeding period as under Step 2. Go to (C).
 - (C) Test net cash flow as under Step 3.

SECTION 731 - DETERMINATION OF EXPENDITURES FOR SECTION 730 PURPOSES

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

SECTION 732 - DETERMINATION OF TOTAL REVENUES

- (a) **Revenues Counted.** For purposes of Section 730, a project's total revenues for a tax period is the sum of the following amounts:
- (1) The project's gross income for income tax purposes for the tax period, including amounts from hiring or leasing-out property or the granting of rights to use property (but not including interest income);
 - (2) The project's consideration received for the tax period for the disposal, destruction, or loss of any property (including materials, equipment, plant, facilities, and intellectual property or rights) used in mining operations if the expenditure incurred in acquiring the property was deducted in computing the project's net cash flow for any tax period;
 - (3) Any amount received for the tax period for provision of information or data obtained from any survey, appraisal, or study relating to mining operations, if the expenditure incurred in undertaking the survey, appraisal, or study was previously deducted in computing the project's net cash flow for any tax period;
 - (4) Any other amount received for the tax period that is a reimbursement, refund, or other recoupment of an amount previously deducted in computing the net cash flow of the project for any tax period; and
 - (5) If property used in mining operations has been destroyed or lost, any compensation, indemnity, or damages the project received in respect of the property under an insurance policy, indemnity agreement, settlement, condemnation action, or judicial decision.
- (b) **Transfer of Interest.** Consideration received for transfer of an interest in the project is not included in a project's total revenues.
- (a) **Only Production Revenues.** If an amount referred to in subsection (a) is attributable to commercial production and some other non-production activity of the project, only the amount attributable to commercial production is included in determining the project's total revenue.

CHAPTER 8. INCOME TAXATION OF NONRESIDENTS

SECTION 806 - TAX WITHHOLDING ON PAYMENTS TO NONRESIDENTS

- (a)
- (b) **Special Rule For Payments By Mining (“.....”) Projects.** A mining (“.....”) subject to Chapter 7 shall withhold tax on payments made to nonresidents at the following rates
- (1) Interest, 5 percent;
 - (2) Payments for services, 6 percent; and

- (3) Dividends, 5 percent

SECTION 1701 – DUTIES IMPOSED ON IMPORT AND EXPORT

(a) Duties.

* * *

- (2) No duties are imposed on exports from Liberia, * * *

SECTION 1708 - EXEMPTION FROM IMPORT DUTIES

(b) Special Rule for Mining (“.....”). As specified by the Minister when imported by a producer under a mineral development agreement (“.....”) subject to Chapter 7 for use in a mining (“.....”) project or for natural resource exploration and development during from the inception of exploration until the date commercial production begins, the following goods are exempt from import duties-

- (1) Plant or equipment (including four-wheel-drive motor vehicles but not sedans luxury vehicles as defined by regulation) and capital spare parts for these goods;
- (2) Intermediate inputs (including but not limited to explosives, drilling balls, tires for trucks used in operations, and similar items specified in regulations); and
- (3) Raw materials, except that no exemption is permitted from the 10 percent duty on gasoline and gas oil.

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

SECTION 1802 - CUSTOMS USER FEE

(a) Minister's Authority to Set Fee. The Minister has the obligation to fix just and reasonable fees to be charged by the Bureau of Customs or on its behalf for issuing documents and performing other services in connection with the operation of the customs service, including pre-shipment inspection, automation, that are not set forth herein or in notice any other statute or regulation, and must do so by regulation and by widely circulated notice.

- (1) **Imports.** The customs user fee in respect of all items not subject to the import duty as provided for in Section 1708(b) shall be:
 - US\$400,000 per annum from the Effective Date until the date of commencement of construction of any Mine, Mining Plant or Infrastructure or the date which is 12 months following date on which a Mining License is issued, whichever is the earlier;

- US\$600,000 per annum from the date of commencement of construction of any Mine, Mining Plant or Infrastructure or the date which is 12 months following date on which a Mining License is issued, whichever is the earlier, until the Start of Commercial Production; and
 - 1.5% of the CIF Liberian Port value (within the meaning of the Revenue Code) of the imported goods thereafter.
- (2) For the avoidance of doubt, no customs user fees shall be payable in respect of any goods which are subject to import duty but will be subject to inspection fees. If an import is entered solely for the purpose of transshipment out of Liberia, it is not subject to the fee in this paragraph but is subject to the fee described in paragraph (3).
- (3) **Exports.** No customs user fee shall be levied on any export except for unprocessed exportables, semi-processed exportables, transshipment. The fee for goods in transshipment or unprocessed goods exportables shall not exceed 2.5 percent of the FOB value. The fee for semi-processed exportables must not exceed 1.25 percent of the FOB value. The fee applies regardless of whether the goods are exempt from export duty.
- (4) **Scanning Fee.** The Minister is empowered to charge a fee directly related to the scanning of cargo containers. The fee must be proportionate to the length of the container, and may not exceed US \$7 per foot.

SECTION 2009 - EXEMPTIONS

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

- (i) (“.....”).
- (ii) Real property used in mining (“.....”) exploration, development, or extraction within a mining license contract area (“.....”)... Fisc - Minister Under Direction of The President May Monopolize Sale and Export of Gold and Other Precious Metals and Precious Minerals.

Exhibit 4 to
Putu Iron Ore Mining MDA

The Pricing Agreement

[To come after agreement is signed – see Section 15.3]

Exhibit 5 to
Putu Iron Ore Mining MDA

Summary of Company's Filing Obligations

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

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

Obligation	When due / Expiry	Section
Exploration		
The Company shall provide the Government with the Guarantee from Mining Holding Company LLC.	Due within five Business Days following the Effective Date.	20.6(a)
The Company shall provide the Government a project linkages plan addressing the matters set forth on Schedule 4.	Due no later than 120 days following the Effective Date	4.2(e)
The Company shall update the Exploration Period Project Linkages Plan.	Due once every 12 months during the Exploration Period.	4.2(e)
Proposed Production Area		
Designation of a Proposed Production Area.	Due before the expiry of the Exploration Period*.	5.1(a)
The Company shall submit to the Government detailed maps for each Proposed Production Area setting out the boundaries and coordinates of the area containing the deposits from which Iron Ore or other mineral is expected to be Mined.	Due within 60 days following the notice to the Government designating a Proposed Production Area.	5.1(c)
The Company shall file with the Minister the Feasibility Report, application for a mining license and a certificate from the CEO of the Company (unless the Company has complied with the "marginal deposit" provisions pursuant to sections 5.2(a) and (b)).	Due no later than March 31, 2014..	5.1(e)
The Company is required to make a payment of the extension fee if it chooses to extend either the time for designating Proposed Production Areas or the time for filing the Feasibility Report.	Due at least 30 days prior to the expiration of the time period otherwise applicable.	5.1(i)
If the Company believes that the "marginal deposit" provisions in the Mining Law are applicable to the Iron Ore or other Minerals contained in a Proposed Production Area (and has not obtained an extension of 6 months to the time for filing the Feasibility Report) it	Due within 12 months of the date of designation of such Proposed Production Area.	5.2(a)

Obligation	When due / Expiry	Section
may apply to the Minister pursuant to section 5.3(l) of the Mining Law for postponement of the obligation to deliver a Feasibility Report for a period of up to 2 years.		
The Company may apply for a second delay period of up to 2 years upon complying in full with the requirements of Section 5.2(a) as though they were applicable by their terms to a second delay period.	Due not more than 180 and not less than 90 days prior to the end of the initial delay period.	5.2(c)
In order to retain its rights in a Proposed Production Area following an approval by the Minister of a delay period, the Company shall pay an annual postponement fee (in addition to the surface rent payable) and file the Feasibility Report and related materials applicable to such Proposed Production Area.	Payment due in advance within 15 days after the commencement of each year of approved postponement period. Filing due prior to the end of the delay period, or second delay period (if applicable).	5.2(d)(i) 5.2(d)(ii)
Mining		
With respect to each proposed Mine, the Company shall demonstrate, through performance of the proposed capacity demonstration testing program set forth in the Feasibility Report, that the Mine and all related Mining Plant, Infrastructure and equipment have substantially the operating capacities set forth in the Development Plan.	Due within 180 days of the scheduled completion date*.	6.2(a)
If the Feasibility Report and the Development Plan call for a two-stage development, each capacity demonstrating test for each stage will be required to be completed.	Due within 180 days of the scheduled completion date for the components covered by that test*.	6.2(a)
Environmental		
The Feasibility Report shall include an EIA, EMP, SIA and SAP. At the Company's option the EIA, EMP, SIA, SAP, project linkages plan and skills and technology development plan may be combined into one report.	The Feasibility Report will not be approved until the EPA has approved the EMP and EIA (which it has 3 months to approve from submission).	5.4 to 5.6
Prior to the approval of the Feasibility Report, each of the EMP, EIA, SIA, SAP, project linkages plan and the skills and development plan shall have been made available to the public.	Due at least 60 days prior to the date of approval of the Feasibility Report.	5.7(b)(iii)
In order to make substantial changes in methods of operations that would materially affect employment, environment or resettlement, the Company shall update its EIA, EMP, SIA and SAP and make these documents available for public comment.	Due at least 60 days prior to the approval of an updated Feasibility Report.	5.9

Obligation	When due / Expiry	Section
The Company shall deliver to the Minister an environmental report prepared by the Company which shall include an assessment of the Production Areas under its Mining License plus all areas outside of the Production Areas in which the Company conducts Operations.	Due within 60 days after each anniversary of the date of grant of the Mining License.	13.2(a)
The Company shall deliver to the Minister commencing with the second anniversary of the submission of the first environmental report pursuant to Section 13.2(a) an environmental audit and assessment of the Production Areas under its Mining Licenses plus all areas outside the Production Areas in which the Company conducts Operations.	Due once every 2 years commencing on the 2nd anniversary of the submission of the first environmental report under Section 13.2(a).	13.2(b)
The Company shall deliver to the Minister an environmental audit and assessment of the Production Areas under its Mining Licenses plus all areas outside the Production Areas in which the Company conducts Operations.	Due on the last day of the Mining Term.	13.2(b)
The Company shall periodically update the EIA and the EMP to reflect the actual status of Operations at the time and updated risk assessments generally applicable with respect to Operations or Mine closure, and updated estimates of the cost of carrying out the closure management plan.	Due not less frequently than every 4 years or as otherwise required under applicable Law.	13.4(a)
The Company shall update the EIA and the EMP as a condition to making any material changes in Operations, or any Mine, Mining Plant or Infrastructure.	Due prior to making changes to Operations.	13.4(b)
Company Reporting Requirements		
The Company shall provide the reports required by Section 6 of the Exploration Regulations.	Applicable from the Effective Date until the grant of the Mining License.	6.8(a)
Six-monthly report on the progress of construction of the Mining Plant and Infrastructure provided for in the approved Feasibility Report.	Applicable following grant of the Mining License and prior to satisfaction of the capacity demonstration requirement set forth in Section 6.2.	6.8(b)
Quarterly statistical report setting out the items referred to in Section 6.8(c).	Due within 30 days of the end of the quarter (including months ending an annual operating period), beginning with the calendar quarter in which the Production Operating	6.8(c)

Obligation	When due / Expiry	Section
	Period commences.	
Quarterly operating report concerning the progress of its operations in the Production Areas that are the subject of a Mining License and setting out the items referred to in Section 6.8(d).	Due within 30 days of the end of the quarter, beginning with the calendar quarter in which the Production Operating Period commences.	6.8(d)
Annual operating report setting out the items referred to in Section 6.8(e).	Due within 60 days of the end of the Financial Year, beginning with the Financial Year in which the Production Operating Period commences.	6.8(e)
Annual financial report setting forth the quantity of Product(s) produced and shipped from Liberia or Transferred to a third party in Liberia during the Financial Year and the computation of the Royalties or any other Taxes or Duties imposed with respect to the quantity of Product(s) so shipped or so Transferred, in each case paid or remaining to be paid on such shipments or Transfers.	Due within 60 days of the end of the Financial Year, beginning with the Financial Year in which the Production Operating Period commences.	6.8(f)
The Company shall provide the Government any monthly operating reports that it regularly provides to its Affiliates.	Due monthly (to the extent prepared).	6.8
The Company shall provide such additional information as is necessary to keep the Government fully informed of all operations and activities, wherever conducted in Liberia, and of its plans in respect of such operations and activities.	Due on an ad hoc basis.	6.8
Company shall provide the Government with evidence as to the existence of the insurance.	Due annually.	6.11(d)
The Company shall coordinate the activities of the Company security services with the Government's police and law enforcement authorities and report to the Minister of Justice (with a copy to the Minister) on the activities of the Company's security services, including numbers of persons detained and excluded or evicted, the reason for, the place of and the period of any detention, and the disposition of each detained person.	Due quarterly, unless someone has been detained in which case a report shall be provided as soon as practicable and in any event within 1 month of the detention.	9.2(c)
The Company shall deliver to the Government a balance sheet of the Company and statements of income, changes in shareholders' equity and cash flows of the Company for each Financial Year, together with the documents referred to in Section	Due within 90 days after the end of each Financial Year.	17.4(a)

Obligation	When due / Expiry	Section
17.4.		
The Company shall file together with its annual income tax return an information return setting out the computation of accumulated net cash flow and its components for the relevant tax year including such detail as the Ministry of Finance may reasonably require.	Due annually with the annual income tax return.	As required by the Revenue Code and Exhibit 3

Exhibit 6 to
Putu Iron Ore Mining MDA

Principles Relating to Community Funding

General

Subject to the following paragraph, the Annual Social Contribution shall be deposited and held in one or more separate segregated accounts as determined by the Government from time to time for use in accordance with Section 8 and this Exhibit 6.

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

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

Governance of the community development and infrastructure investments

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

Project Selection Criteria and Process

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

Exhibit 7 to
Putu Iron Ore Mining MDA

Intermediate Inputs and Consumables

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

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

Exhibit 8 to
Putu Iron Ore Mining MDA

Deed of Adherence

THIS DEED OF ADHERENCE is made on 201[•]
and is **SUPPLEMENTAL** to a mineral development agreement dated [] [____], 2010
and made between The Government of the Republic of Liberia, Putu Iron Ore Mining,
Inc. and Mano River Iron Ore Ltd., as amended from time to time (the “MDA”).

WHEREAS:

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

NOW THIS DEED WITNESSES AS FOLLOWS:

- 1 This Deed is made for the benefit of the original parties to the MDA and any other person or persons who after the date of the MDA (and whether or not prior to or after the date of this Deed) adhere to the MDA.
- 2 Save where the context otherwise requires, words and expressions defined in the MDA have the same meanings when used herein.
- 3 The New Shareholder accepts the appointment in accordance with the provisions of Section 27.5(d) [please update this paragraph reference, it does not seem correct] of the MDA and agrees that this document shall constitute a written arbitration agreement in the terms set out in Sections 29 and 30 of the MDA.
- 4 This Deed and the rights of the parties hereunder shall be construed and interpreted in accordance with Liberian law and the provisions of Sections 33.2, 33.3, 33.4, 33.5, 33.6, 33.7, 33.8 and 3.9 of the MDA shall apply *mutatis mutandis* as if set out herein.
- 5 For the purposes of Section 31 (Notices) of the MDA, the name and address of the New Shareholder are as set out below in this Deed:

[Insert notices details]

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

[Insert execution details]