

THE REPUBLIC OF CAMEROON

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MBALAM CONVENTION

THIS CONVENTION IS DATED NOVEMBER 29, 2012

BETWEEN:

THE REPUBLIC OF CAMEROON, represented by the His Excellency Emmanuel BONDE, Minister of Industry, Mines and Technological Development, acting herein pursuant to the powers conferred upon him by the Prime Minister¹ of the Republic of Cameroon,

hereinafter referred to as the "**State**",

AND

CAM IRON S.A., a *société anonyme* registered under the laws of the Republic of Cameroon with a share capital of 1,200 shares, having its registered office at 2ème étage, Immeuble Hibiscus, Avenue Charles De Gaulle, Hippodrome, Yaoundé, Cameroon; registered on 27 April 2005 with the *Registre du Commerce et du Crédit Mobilier* (RCCM) of Yaoundé under number RC/YAO/2005/B/362, BP: 33 059, Yaoundé, Republic of Cameroon; represented by Mr. Giulio Casello, acting herein in his capacity as Chairman of the Board of Directors and, Mr. Serge Asso'o Mendomo, acting herein in his capacity as General Manager, pursuant to a power conferred upon them by a resolution of Cam Iron's board of directors,

hereinafter referred to as "**Cam Iron**".

The State and Cam Iron being together referred to as the "**Parties**", and each, as a "**Party**".

Considering Law No. 2001/011 of 16 April 2001, establishing a Mining Code as amended and supplemented by Law No. 2010/011 of 29 July 2010 and decree No 2002/648/PM of 26 March 2002 defining the conditions of implementation of Law No. 2001/001 of 16 April 2001.

PREAMBLE

The mineral deposits contained in the soil and subsoil of the territory of the State are and remain the exclusive property of the State.

Considering the importance of the mining sector in the economic and social development of the Republic of Cameroon ("**Cameroon**"), the State, in the framework of its mining resource development programme, has decided to promote and stimulate foreign investment related to the exploration of said resources.

In the context of this development plan, the State has granted to Cam Iron the Exploration Permit under which Cam Iron has carried out exploration operations which confirmed the existence of iron ore deposits near the Mbalam village in the Eastern Region of the Republic of Cameroon.

In progressing its exploration of the Exploration Permit and to provide certainty for its investment into the territory of the State, Cam Iron entered into the Framework Agreement with the State.

Based on the findings of the Feasibility Study, Cam Iron considers that those iron ore deposits, would allow, on an economically profitable basis in compliance with the fiscal and customs provisions described in this Convention, the extraction of the Mbalam Ore as well as the construction of the facilities required for the exploitation, processing, transformation, transportation and export of said Mbalam Ore, the Blended Ore and the Beneficiated Ore through an integrated system and in accordance with the Operating Standards set forth in the Project Agreements.

Therefore, Cam Iron declared that it is able to:

- (i) carry out or instruct a Third Party to carry out Mining Operations in the Exploitation Area in accordance with the terms and conditions set forth in this Convention, the Project Agreements and the Exploitation Permit;
- (ii) construct, or procure the construction of, and exploit, the Railway Facilities in accordance with the terms and conditions set forth in this Convention, the Railway Concession, the relevant Project Lease and the Railway Agreement;
- (iii) construct, or procure the construction of, and exploit, the Mineral Terminal Facilities in accordance with the terms and conditions set forth in this Convention, the Mineral Terminal Concession, the relevant Project Lease and the Mineral Terminal Agreement;
- (iv) subject to the satisfaction of the matters referred to in Articles (ii) and (iii) above, provide Railway services and Mineral Terminal services to Third Parties;
- (v) conduct, or procure the conduct of, the Blending Operations in accordance with the terms and conditions set forth in this Convention and the Blending Agreement;
- (vi) subject to the satisfaction of certain technical and economic criteria, construct, or procure the construction of, and exploit, the Beneficiation Facility in accordance with the terms and conditions set forth in this Convention and the Beneficiation Agreement;
- (vii) as the case may be, conduct, or procure the conduct of, and exploit, any other facility required for the Project in accordance with the terms and conditions set forth in this Convention and, where necessary, an Additional Specific Agreement (including procuring the conduct and construction of the Beneficiation Power Station); and
- (viii) carry on each of the foregoing activities (together, the "**Project**") at its own expense and risk either itself or through a Project Company.

Having confirmed its commitment to undertake the Project under the terms and conditions set forth in this Convention, Cam Iron has filed an application for obtaining the Exploitation Permit under the conditions and according with the terms of sections 45 *et seq.* of the Mining Code, which was declared admissible.

The Parties have convened, negotiated and agreed to this Convention, which is governed by the Legislation, subject to any contrary provisions or exemptions required, for the Project's needs, as may be authorised by the Enabling Law.

THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

SECTION I – GENERAL PROVISIONS

1 DEFINITIONS

Where capitalized, the terms and expressions used in this Convention have the meanings ascribed to them below:

Acceding Party means each of the Mine Project Company, the Railway Project Company and the Mineral Terminal Project Company and any other Project Company which will be acceding to this Convention in accordance with Article 6.4.

Acceptable Bank Rating means: (a) with respect to any bank based in the People's Republic of China, a long term credit rating of at least Baa3 (Moody's Investor Services, Inc.) or BBB (Standard and Poor's Ratings Group); (b) any bank with a physical presence in Cameroon that is under the supervision and regulation of the State's national monetary authority; and (c) with respect to any other financial institution, a long term credit rating of at least BBB+ (Standard and Poor's Ratings Group) or Baa1 (Moody's Investor Services, Inc.) unless otherwise agreed by the State.

Accession Notice means the document attached as Annex I.

Additional Facility Authorisation has the meaning ascribed to it in Article 19.1(g).

Additional Facility Request has the meaning ascribed to it in Article 19.1(b).

Additional Roads means all land traffic lanes other than a Project Road.

Additional Specific Agreement means any agreement entered into between the State and Cam Iron, a Project Company or any Subsidiary, as the case may be, and if agreed between those Parties, drawn up based on the BOOT model (where appropriate), determining and setting the framework of the conditions of funding and building of any facility required for the purposes of the Project but which cannot be governed by any existing Specific Agreement.

Additional Spur Line means a standard gauge heavy haul railway, connecting the Mainline Railway to exploitation areas covered by a mining permit other than the Exploitation Permit either within or outside the territory of the State but does not include the Initial Spur Lines or loading facilities at the relevant mine site.

Additional State Interest means the State interest described in Article 45.2(a)(ii).

Adverse Circumstances has the meaning ascribed to it in Article 47.1.4(a).

Aerodrome means the defined area on land within the Exploitation Permit on which there will be buildings, installations and equipment intended to be used either for the arrival, departure and surface movement of aircraft authorized by a Project Company to utilize the Facilities, including passenger check-in areas, baggage handling facilities, customs offices, office space, ramp access, security screening, aircraft parking and hangar facilities and other areas or facilities necessary for the efficient conduct of aviation activities.

Aerodrome Agreement means the agreement relating to the use of the Aerodrome which shall be concluded between the Mine Project Company, Cam Iron and the State.

Affiliate means, with respect to an entity, any other entity which is Controlled by or under common Control with such entity.

Annex means an annex to this Convention and **Annexes** means all annexes to this Convention.

Application has the meaning ascribed to it in Article 32.12(a).

Arbitration Procedure has the meaning ascribed to it in Article 56.3.

Arms' Length Terms means the terms which would be agreed upon between knowledgeable and willing parties in an arms' length transaction.

Assets or Goods means, as the case may be, all assets and/or goods required for the Project Operations, including consumables, plant, equipment, materials, commodities, vehicles, fuel and hydrocarbons.

Assignee means any Person directly or indirectly holding rights in the Project from any Project Company, the transfer to which Person was permitted in accordance with the provisions of this Convention, the Project Agreements and the Finance Documents.

Auditors has the meaning ascribed to it in Article 30.2(a).

Bank Guarantee means a guarantee in a form acceptable to the State in its reasonable discretion issued by an independent bank with an Acceptable Bank Rating, whether or not located outside the territory of the State, for the amounts referred to in this Convention and **Bank Guarantees** mean those guarantees collectively.

Beneficiated Ore means iron ore mined in the Exploitation Area which has been beneficiated in the Beneficiation Facility.

Beneficiation means the process whereby the Mine Project Company concentrates or upgrades the Low Grade Ore from the Exploitation Permit and/or reduces the level of impurities thereof, by washing, drying, crushing or screening, or a combination thereof, by utilising the Beneficiation Facility and **Beneficiated** shall be construed accordingly.

Beneficiation Agreement means the agreement to be finalized between the State and the Mine Project Company with regard to the design, construction, operation and maintenance of a Beneficiation Facility and associated facilities.

Beneficiation Capacity Expansion Works means construction and related work performed on the Beneficiation Facility and required to increase the Initial Beneficiation Production Capacity or the Interim Beneficiation Production Capacity, as the case may be.

Beneficiation Election has the meaning ascribed to it in Article 10.1(j).

Beneficiation Escrow Account has the meaning ascribed to it in Article 10.9.

Beneficiation Facility means the plant to be constructed which will enable the conduct of Beneficiation Operations (which, for clarification, excludes the Beneficiation Power Station) with an initial capacity equal to the Initial Beneficiation Production Capacity or Interim Beneficiation Production Capacity and, as the context requires, includes any expansion of that facility as contemplated by Article 10.13.

Beneficiation Feasibility Study has the meaning ascribed to it in Article 10.1(d).

Beneficiation Operations means the design, construction, operation and maintenance of a Beneficiation Facility.

Beneficiation Power Station means either the gas fired or hydro power station which is to be constructed to generate the power to meet the power requirements of the Beneficiation Operations.

Beneficiation Power Station Feasibility Study has the meaning ascribed to it in Article 10.1(d).

Beneficiation Sector Good Practices refers to Good International Industry Practices, methods, techniques, standards, norms, and actions internationally followed for large-scale bulk commodity projects.

Beneficiation Specifications means the specification that (i) the Beneficiation Facility be designed to eventually produce thirty five million (35,000,000) Tonnes of Beneficiated Ore in any Calendar Year and the other detailed technical characteristics of the Beneficiation Facility, which must take into account the Beneficiation Sector Good Practices; and (ii) the Beneficiation Power Station be designed to always produce enough power to facilitate the Beneficiation Operations.

BF Commissioning has the meaning ascribed to it in Article 10.7(f).

BF Commissioning Deadline has the meaning attributed to it in Article 10.7(f).

BF Construction Commencement Date has the meaning attributed to it in Article 10.10(a).

BF Power Station Construction Commencement Date has the meaning attributed to it in Article 10.10(b).

BF Construction Conditions means the conditions set forth in Annex II.

BF Construction Deadline has the meaning ascribed to it in Article 10.7.

Blended Ore means iron ore which results from the Blending Operations.

Blending Agreement means the agreement relating to the blending of Mbalam Ore with iron ore from the territory covered by the Nabeba Permit to be concluded between the Mine Project Company, Congo Iron and the Mineral Terminal Project Company which will establish the provisions regarding the blending of Mbalam Ore and Nabeba Ore.

Blending Operations means the operations relating to the industrial process whereby Nabeba Ore, and Other Ores (other than Nabeba Ore) (with the consent of the State) are blended with any Mbalam Ore, which operations are carried out in accordance with the terms and conditions of this Convention, the Blending Agreement, and the Monitoring Agreement – Blending or such similar agreements.

Bonus Payment means a bonus payment under Law No. 2010/011 of 29 July 2010 (to amend and supplement certain provisions of the Mining Code).

Bonus Payment Holiday has the meaning ascribed to in Annex VII.

BOOT means build, own, operate and transfer.

Breach or **Breach Event** has the meaning ascribed to it in Article 50.1.

Business Day means any day (excluding Saturday and Sunday) on which commercial banks are open for business in Yaoundé in the territory of the State and with respect to the Reference Rate means any day (excluding Saturday and Sunday) on which commercial banks are open for business in London.

Calendar Year means a period of twelve (12) consecutive months commencing on 1st January and ending on 31st December the same year.

Cameroon has the meaning given in the Preamble.

Cameroonian Banks has the meaning given in Article 43.2.

Cam Iron Share Transfer Agreement means the agreement to be concluded between the State and Cam Iron relating to the State acquiring fifteen percent (15%) of the share capital and voting rights of the Mine Project Company from Cam Iron.

Cam Iron Representative has the meaning ascribed to it in either Article 18.22.2(a)(i) or Article 30.5.2(a)(i).

Capital Gains Tax Holiday has the meaning ascribed to in Article Annex VII.

CCJA means the Common Court of Justice and Arbitration.

CEMAC means the Economic and Monetary Community of Central African States.

CE-Dispute Notice has the meaning ascribed to it in Article 39.1.

CE-Notice has the meaning ascribed to it in Article 39.1.

Centre has the meaning ascribed to in Article 56.2(a).

CFA Franc means the currency which is the legal tender in the territory of the State.

Change in Control has the meaning ascribed to it in Annex IX.

Change in Emission Scheme means:

- (a) the enactment or making of an Emission Scheme; or
- (b) a change in the way an Emission Scheme is applied or interpreted as a result of a binding decision of a court of competent jurisdiction or by a Governmental Entity responsible for administering the Emission Scheme,

that occurs on or after the Change Notice.

Change in Law Event means the coming into effect of:

- (a) any Legislation (other than the Enabling Law) enacted after the Signature Date;
- (b) any modification (including repeal) of any Legislation existing on the Signature Date that comes into effect after the Signature Date;
- (c) any change referred to in this Convention as a "Change in Law;"
- (d) a change in the sales Tax imposed by the State and paid by a Project Company, any Contractor or any Subcontractor with respect to sales of goods purchased for the performance of the services contemplated under any of the Project Agreements; or
- (e) a new Tax or an increase in Tax imposed by the State and paid by a Project Company, any Contractor or any Subcontractor with respect to the performance of the services contemplated under any of the Project Agreements, including any Royalty or any Taxes measured by gross receipts; provided, however that new Taxes shall not include any Taxes imposed by a foreign government or any of their agencies,

compliance with which, in accordance with the Operating Standards, materially interferes with, delays or increases the cost of performing the Project Operations.

It is specifically understood, however, that none of the following shall constitute a "Change in Law Event":

- (1) any law, statute, code or regulation that has been enacted or adopted on or before the Signature Date to take effect after the Signature Date;
- (2) the denial, delay in issuance of, or imposition of any term or condition in connection with, any Governmental Approval required for the Project Operations as a result of any Project Company's non-compliance with applicable Legislation relating to such Governmental Approval;
- (3) a change in the nature or severity of the actions typically taken by a Governmental Entity to enforce compliance with Legislation which was in effect as of the Signature Date;
- (4) any increase in any fines or penalties provided for under Legislation in effect as of the Signature Date provided such increases do not discriminate against the Project Companies; or
- (5) any act, event or circumstance that would otherwise constitute a Change in Law Event but that does not change the requirements imposed on any Project Company by the Operating Standards in effect as of the Signature Date.

Change Notice has the meaning ascribed to it in Article 40.5(b).

CIMA has the meaning ascribed to it in Article 42.1.

Collective Bargaining Agreement means the agreement dated the Signature Date entered into between Cam Iron on the one hand and the trade unions designated therein, on the other hand, (the Ministry of Labor and Social Security and the Ministry of Employment and Professional Training having also executed such agreement) with a view to determining the terms and conditions of recruitment, dismissal, organization of the working conditions, remuneration, professional training, health and safety of the personnel hired for the purposes of the Project, and all the obligations of which shall be restated separately by each Project Company in the Specific Agreement to which it is a party.

Committee Response has the meaning ascribed to it in Article 47.1.5.

Compensation Event means:

- (a) any applicable entry on the Project by the State pursuant to Article 6.5(c) and Article 6.5(d) (ten million (10,000,000) US Dollars per individual occurrence or twenty-five million (25,000,000) US Dollars over a rolling five (5) year period);
- (b) the circumstances described in Articles 22.2 (twenty-five million (25,000,000) US Dollars over a rolling five (5) year period) and 22.3 (twenty-five million (25,000,000) US Dollars over a rolling five (5) year period);
- (c) any unreasonable delay in or denial of the issuance of a properly submitted application (or other petition) for a Governmental Approval required for the Project for which the Project Company has complied with all material requirements under applicable Legislation, which delay is not caused by a Project Company Fault, and which continues for sixty (60) Days following notice of such unreasonable delay or denial by the applicable Project Company to the State Project Committee (or such lesser time to the extent the failure to respond would materially affect Project

Operations) (twenty-five million (25,000,000) US Dollars over a rolling five (5) year period);

- (d) a Change in Law (fifty million (50,000,000) US Dollars over a rolling five (5) year period) and Article 40.6 (fifty million (50,000,000) US Dollars over a rolling five (5) year period);
- (e) Article 41.2 (ten million (10,000,000) US Dollars over a rolling five (5) year period) (Confiscation);
- (f) a State Fault (twenty-five million (25,000,000) US Dollars over a rolling five (5) year period); or
- (g) any other event referred to in this Convention as a "Compensation Event," (ten million (10,000,000) US Dollars per individual occurrence or such other amount as specified therein),

in each case as adjusted by the Inflation Adjustment.

Compensation Event Notice has the meaning ascribed to it in Article 47.1.5.

Conditions Precedent mean the conditions precedent described in Article 4.1.

Confidential Information has the meaning ascribed to it in Article 44.1.1.

Confiscation has the meaning ascribed to it in Article 41.1.

Confiscation Dispute has the meaning ascribed to it in Article 41.4.

Congo Border Terminal means the train monitoring station to be located on the border between the State and the Republic of Congo which will monitor the continuous movement of the locomotives and rail wagons via electronic monitoring systems to confirm the cargo is in accordance with the rail manifest prepared at the point of loading including overhead viewing platform and lighting to support continuous operations during daylight and at night and the train will not be required to stop before, during or after the border crossing as elaborated in the Quadripartite Agreement and to be operated pursuant to the terms of the Quadripartite Agreement to the extent applicable.

Congo Iron means Congo Iron S.A., a *Société Anonyme* registered under the laws of the Republic of Congo having its registered office at Avenue du Professeur Locko-Mafouta, Brazzaville, Republic of Congo; registered with the *Registre du Commerce et du Crédit Mobilier* of Brazzaville under number CG/BZV/06 B 11.

Connected Operations means the Railway Operations (including the Road Operations), the Mineral Terminal Operations, the Beneficiation Operations and the Blending Operations, as well as any operation required for the Project.

Conservation Convention has the meaning ascribed to it in Article 29.5.2.

Construction Phase means:

- (a) for each of the Mining Facilities, Railway Facilities and Mineral Terminal Facilities, the period commencing on the Date of Entry into Force until Project Commissioning subject, as the case may be, to the issuance of the Finding of Compliance; and

- (b) for any other Project Facilities, including the Beneficiation Facility, the period during which the Project Company in charge of the completion of this Project Facility incurs expenses in connection with the acquisition, the development, and construction of such Project Facility until completion and commissioning of such other Project Facility after having been subject, as the case may be, to the issuance of the Finding of Compliance.

Contemplated Rights has the meaning ascribed to it in Article 50.5(a).

Contractors means any entity (other than the Lenders), which, within the scope of a contract signed with a Project Company, supplies Goods and/or services for the purposes of the Project under the conditions defined in this Convention and in the Specific Agreements and Additional Specific Agreements, and in compliance with the Legislation provided, that any such entity whose contract provides for aggregate payments in excess of one hundred million (100,000,000) US Dollars (adjusted by the Inflation Adjustment) shall be a Qualified Contractor. For the avoidance of doubt, Contractors shall include Qualified Contractors and Main Contractors.

Control means:

- (a) either the direct or indirect ownership, by a person or entity, of a portion of shares or stock or any other equity granting the majority voting rights in the general meetings of an entity or entitling it to exercise decisive authority within said entity's management, provided that, within the meaning of this Convention, a person is deemed to exercise a decisive authority within an entity's management where, due to de facto or de jure circumstances, such person's opinion prevails with respect to said entity's decision-making; or
- (b) the blocking minority in the decisions of the general meetings of an entity determined, with respect to companies, under the conditions provided by the Uniform Act on Commercial Companies or by the law of the place of incorporation of the relevant company, if the latter proves to be more appropriate to assess such blocking minority.

Convention means this Convention and its Annexes as well as any renewal, extension, substitution or amendment thereof or thereto as mutually agreed upon by and between the Parties.

Convention Compensation means, with respect to a Compensation Event, compensation payable or, in the discretion of the State: (a) incentives (including Tax incentives) offered; or (b) extensions of any applicable term under a Project Agreement, in each case, by the State to Cam Iron and/or the applicable Project Company in order to restore Cam Iron or such Project Company to the same after-Tax economic position that such company would have been in if such Compensation Event had not occurred and calculated in accordance with Article 39.1; provided that incentives and Tax incentives may not be used as Convention Compensation if the use of such Convention Compensation would result in a payment default under the Finance Documents.

Convention Compensation Dispute has the meaning ascribed to it in Article 39.1.

Corporate Tax Holiday has the meaning ascribed to it in Annex VII.

Costs include expenses, costs, royalties, tariffs, fees, taxes and levies of any nature, including customs duties and charges.

CP Long Stop Date means the date that is eighteen (18) months from the Signature Date or such later date as is agreed to by the Parties or contemplated in this Convention (including Article 4.3).

CRU means CRU International Limited of 31 Mount Pleasant, London, WC1X 0AD, an international research company recognized for price and demand forecasting in the iron and steel industries or, where they cease to exist or undertake such work, such similar organization as agreed to between the Parties.

Date of Entry into Force has the meaning ascribed to it in Article 4.4.

Date of First Commercial Shipping means the date on which shall occur the first loading, on a vessel of at least sixty thousand (60,000) Tonnes of Blended Ore (excluding shipping intended for one or more steel plants aiming at testing the iron ore), made effective by the issuance of the bill of lading relative to this first commercial shipping.

Day means a calendar day, it being understood that, for any time-limit provided for in this Convention, if the last day falls on a Saturday, Sunday or a bank holiday in the State, said time-limit shall be extended to the next Business Day.

Debt means all indebtedness for borrowed money (including principal, interest, commissions and fees) to be paid or repaid by a Project Company under the Finance Documents relating to the amounts raised and used to fund (or refinance) the debt component of the Project costs (excluding the amounts borrowed to fund the Equity or interest accrued on said amounts).

Decision has the meaning ascribed to it in Article 56.2.

Delay Breach or **Delay Breach Event** has the meaning ascribed to it in Article 50.1.2.

Delay Breach Liability Threshold has the meaning ascribed to it in Article 50.3.

Design Capacity means one hundred million (100,000,000) tonnes of iron ore in a Calendar Year (consisting of thirty-five million (35,000,000) Tonnes plus sixty-five million (65,000,000) wet tonnes) based on the assumptions to be detailed in the Railway Agreement and Mineral Terminal Agreement.

Development Costs means the aggregate amount of costs and expenses incurred by the State in connection with the development of the Project.

Dispute means any dispute, disagreement, controversy or claim arising out of, connected with or relating to this Convention or any of the other Project Agreements, or to the breach, termination, invalidity, existence or interpretation thereof, or to any event, action or inaction related to any of the foregoing.

Economic Hardship means an economic situation that was unforeseeable by the Parties at the Signature Date and which, without preventing continuation of the Project, would render the Project unprofitable in the aggregate across the Project Companies.

Emission Scheme means any scheme relating to the emission, removal, mitigation, reduction, avoidance or sequestration of greenhouse gases, including a greenhouse gas emissions trading scheme or sequestration requirement which is in place at the Signature Date.

Enabling Law means the law ratifying the State's entry into this Convention under the terms and conditions set forth in this Convention among other things.

Environment means soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata, ambient air, plants, animals and other life forms and per Law n°96/12 of 5 August 1996 relating to environmental management in the State may be defined as per clause 2 of such law, as a common welfare of the Nation (*patrimoine commun de la Nation*). It forms an integral part of the universal welfare (*patrimoine universel*).

Environmental Guarantee(s) refers to the Mine Project Company Environmental Bank Guarantee and the Mineral Terminal Project Company Environmental Bank Guarantee, or any one of them.

Environmental and Social Assessment and Management Plan means the plan for the mitigation of the negative impacts of, and the optimization of the positive impacts of, the Project and including the Environmental Impact Study in compliance with the Legislation and in particular Article 126 *et seq.* of the Mining Code Implementing Decree, such as it is periodically revised pursuant to the provisions of Article 29.2.1(c) and the Mining Code and which, for the avoidance of doubt, is incorporated by reference into this Convention.

Environmental Impact Study means the environmental assessment carried out in accordance with the Legislation and submitted to the State along with filing the Feasibility Study.

Exempt Assignment means an assignment to a wholly owned Subsidiary of such Project Company in which the assignee agrees to be bound by the rights and obligations of the assignor in an agreement acceptable to the State in form and substance in its reasonable discretion, the assignment complies with applicable Legislation and any rights of the State in the Shareholders' Agreement applicable to such Project Company have been complied with.

Expansion Capacity means the capacity of ore that can be hauled using the Railway Facilities and handled and loaded onto vessels using the Mineral Terminal Facilities based on construction of new facilities and assets that are beyond the scope of the design for the Initial Capacity.

Expansion Committee means the committee established in accordance with Article 18.22.

Expansion Contract means either a Mineral Terminal Services Agreement or a Railway Haulage Agreement that relates to the provision of Expansion Capacity.

Expansion Directive has the meaning ascribed to it in Article 18.14(a).

Expansion Project refers to a project providing for the creation of Expansion Capacity pursuant to Article 18.

Expansion Project Company or Expansion Project Companies means the Railway Project Company and/or the Mineral Terminal Project Company where the context requires.

Expansion Stage means any stage beyond Stage 1 where new infrastructure is constructed to increase the capacity of the Mineral Terminal Facilities and the Railway Facilities beyond the Initial Capacity.

Expert Procedure has the meaning ascribed to it in Article 56.2(a).

Exploitation Area means, at any time, the surface area of the Exploitation Permit, such as same could be reduced pursuant to the provisions of Article 53.2.

Exploitation Lease means a Project Lease granted over the area of the Exploitation Area in accordance with this Convention.

Exploitation Permit means the permit to mine iron ore to be granted to Cam Iron in accordance with Sections 45 to 52 of the Mining Code, the provisions of this Convention and the application for mining title filed by Cam Iron on 9 October 2009, as amended on 17 December 2009 and transferred to the Mine Project Company, in accordance with Section 20 of the Mining Code, the provisions of this Convention and the applicable Accession Notice.

Exploitation Phase means, for each Project Facility, a period beginning immediately after the completion of its Construction Phase, until expiration or termination of rights to operate such Project Facility held by the relevant Project Company in accordance with the provisions of the relevant Project Agreement(s).

Exploration Permit means exploration permit No 92, which is the subject of Decree No 161/MINIMIDT/DMG/SDAM of 27 September 2005 and of Order No 00586/MINIMIDT/SG/DMG/SDAM of 6 July 2010 (extending the term of exploration permit No 92 to 27 September 2012) and Order No. 003207/MINIMIDT/SG/DMG/SDAM of 27 July 2012 (extending the term of the exploration permit No. 92 to 27 July 2014).

Explosives means the ammonia based products that are to be imported into the territory of the State for:

- (a) use within the Exploitation Area, the Mineral Terminal Area, and Railway Area for the construction of the mine, Mineral Terminal and Railway;
- (b) use in fracturing the Mbalam Ore within the Exploitation Area for Mining Operations; or
- (c) transportation to the Republic of Congo for construction and mining operations in the area covered by the Nabeba Permit,

using industry recognised transport, drilling and blasting techniques in accordance with (as applicable) the Explosives Agreement and, to the extent applicable, the Quadripartite Agreement.

Explosives Agreement means the agreement to be concluded between the Mine Project Company, Mineral Terminal Project Company, Railway Project Company and the State related to the use and transport of Explosives.

Feasibility Expert has the meaning ascribed to it in Article 18.13.1.

Feasibility Study means the Project definitive feasibility study which, in accordance with Section 46 of the Mining Code, was submitted to the State on 15 April 2011, and as shall be updated as provided for in Article 4.1(a).

Finance Documents means all equity or debt finance agreements entered into by Cam Iron, the Project Companies and/or any Subsidiary and one or more Lenders for the purposes of constituting the Debt as well as any security document or related ancillary document including any agreement between the Lenders and the State or between the Lenders and Cam Iron, the Project Companies or a Subsidiary.

Finding of Compliance means, for each of the Project Facilities, the finding of compliance by the State of any Project Facility according to the Specifications and applicable Legislation relating thereto and the delivery by the State to the relevant Project Company of that finding

of compliance with the relevant Specific Agreement or, with respect to the Beneficiation Facility, in compliance with this Convention and the Beneficiation Agreement.

First Notice has the meaning ascribed to it in Article 39.1.

Fixed Profit Margin means twelve percent (12%).

FMU has the meaning ascribed to it in Article 29.5.2.

Force Majeure means Ordinary Force Majeure or Political Force Majeure, as the case may be, each such event or circumstance being a **Force Majeure Event**.

Foreign Exchange Agreement has the meaning ascribed to it in Article 43.1

Foreign Personnel has the meaning ascribed to it in Article 32.12(a).

Framework Agreement means the framework agreement entered into between the State and Cam Iron on 18 December 2008.

Fund Committee has the meaning ascribed to it in Article 29.5.1(h).

General Tax Code means Law No 2002/2003 of 19 April 2002 as amended from time to time.

Good International Industry Practice has the meaning ascribed to it in Article 29.4(h).

Governmental Approval means any approval, certificate of approval, authorization, consent, waiver, variance, exemption, declaratory order, exception, license, filing, registration, permit, notarization, special lease or other requirement of any Governmental Entity that applies to all or any part of the Project or Project Operations.

Governmental Entity means the State or any ministry, department or political subdivision thereof, and any person directly or indirectly controlled by the State and performing executive, legislative, regulatory or administrative duties for the State, including regional authorities.

Granting Decree means the presidential decree granting the Exploitation Permit to Cam Iron.

Handback Requirements has the meaning ascribed to it in Article 54.2.

Handback Security has the meaning ascribed to it in Article 54.2.

HSECS has the meaning ascribed to it in Article 32.11.

High Grade Ore means iron ore with an iron content greater than 50% Fe, with limitations on Al₂O₃, SiO₂ and Phosphorous which render the product suitable for direct shipping ore (DSO).

ICC means the International Chamber of Commerce.

ICSID Convention has the meaning ascribed to it in Article 56.4.

Immigration Document has the meaning ascribed to it in Article 32.12(a).

Independent Engineer means an internationally recognized engineering firm or firms experienced in (i) the mining, rail and mineral terminal industries and (ii) Africa.

Independent Accountant means an internationally recognized accounting firm acceptable to both the Mine Project Company and the State with whom neither Party nor its Affiliates currently has, or within the previous five (5) years, has had a relationship.

Inflation Adjustment means a pro rata adjustment every five (5) years from the Date of Entry into Force to reflect changes in the Consumer Price Index published by the United States Department of Labor.

Initial Beneficiation Production Capacity means a production capacity of no less than eleven (11) million Tonnes of Beneficiated Ore in any Calendar Year (or a pro rata portion of such tonnage based on the number of applicable Days in such Calendar Year) commencing on the date that is twelve (12) months following the BF Commissioning where the Beneficiation Facility is first built to that capacity.

Initial Capacity means in million Tonnes per annum, the maximum number of Tonnes of iron ore that can be hauled using the Railway Facilities and handled and loaded onto vessels using the Mineral Terminal Facilities including any capacity created by operational efficiencies, de-bottlenecking and other minor capital works excluding any Expansion Capacity, based on the construction of such Railway Facilities and Mineral Terminal Facilities in accordance with the initial design specifications to achieve the Targeted Annual Production Capacity.

Initial Junction means the point at which the Mainline Railway joins the Initial Spur Lines as indicated on the site plan attached to the Railway Agreement.

Initial Spur Lines means the standard gauge heavy haul railway, located within the Railway Area, in the case of the territory of the State connecting:

- (a) the junction of the Mainline Railway to the Mine Loading Area within the Exploitation Area; or
- (b) the junction of the Mainline Railway to the Congo Border Terminal,

a site plan of which may be attached to the Railway Agreement showing each of the Initial Spur Lines, and will include the loading facilities at the Mine Loading Area.

Interim Beneficiation Production Capacity means a production capacity of no less than twenty two (22) million Tonnes of Beneficiated Ore in any Calendar Year (or a pro rata portion of such tonnage based on the number of applicable days in such Calendar Year) commencing on the date that is twelve (12) months following the BF Commissioning where the Beneficiation Facility is built to that capacity.

Internal Rate of Return or IRR means the "annualised effective compounded rate of return" as determined pursuant to the formulae and methodology set forth in the Beneficiation Agreement to be mutually agreed to by the State and Cam Iron.

Investment Charter means Law No 2002/4 of 19 April 2002 as amended.

Joint Committee has the meaning ascribed to it Article 30.5.1.

Joint Liability Subscription Agreement has the meaning ascribed to it in Article 3.4(c).

Kribi Port Authority means the Cameroonian national port authority.

Labor Committee has the meaning ascribed to it in Article 32.9.

Land Law means the Legislation that governs land and property management in the territory of the State.

Legislation means, inter alia, any international convention validly ratified by the State, OHADA uniform acts, CEMAC rules, any law (including the Mining Legislation), order, circular, regulation (including any document relating to health, safety and Environment matters), case law, any administrative act of a regulatory or individual nature, decree, act, regulation directly applicable in the territory of the State and/or such as promulgated, published, voted or ratified by any Governmental Entity; including any variations, modifications, amendments, novations or re-entry into force of said texts, as well as any permits, licenses, authorisations, approvals and consents, injunctions or any final and non-appealable judgment directly applicable to the relevant party, delivered or decided pursuant to these texts and issued by any Governmental Entity, or any jurisdiction of the State or supranational jurisdiction (including the CCJA). For the avoidance of doubt, "Legislation" shall include the Enabling Law, once enacted.

Legitimate Cause means:

- (a) a Project Agreement, Project Lease or Exploitation Permit or any other permit or authorisation not being delivered or renewed, being revoked, modified, withdrawn, cancelled, or suspended, in each case, resulting in a Material Adverse Effect, other than where such non-issue or non-renewal, revocation, modification, cancellation or suspension or such withdrawal is the consequence of a non-performance or a breach by Cam Iron or a Project Company of its contractual or regulatory obligations, the effect of exercise of the State's Reserved Rights or a result of a failure by Cam Iron or a Project Company to properly file or renew such permit or authorisation;
- (b) any Change in Law that has a Material Adverse Effect, other than where such Change in Law occurs under the non-discriminatory application of the Legislation to companies carrying out the same or similar business as undertaken by any Project Company; or
- (c) a breach by the State of any material obligation under this Convention, a Specific Agreement an Additional Specific Agreement, or the Legislation that has a Material Adverse Effect.

Lender means any bank, national or international financial institution, export credit agency, any credit insurer or other establishment having granted to Sundance, Cam Iron or a Project Company a commercial credit, a loan, bonds or a financing or refinancing relating to the Project on capital markets or otherwise, as well as their authorised assigns, agents, trustees, auditors and assignees (excluding Cam Iron, the Shareholders or any Subsidiary of the Shareholders' or any other lender providing debt to a Project Company in connection with the funding of capital needs in connection with the Additional State Interest and the exercise by the State of the right to borrow funds for capital calls on that equity), including the financing or refinancing of all or part of the operations and infrastructures situated outside the territory of the State provided that said operations and infrastructures relate to or are physically connected with all or part of the Project Operations.

LIBOR means the London Inter-Bank Offer Rate of three month US Dollar deposits which appears on the Telerate page 3750, or equivalent successor to such page, as of 11:00 am London time, on the original due date of the overdue amount.

Loan Carry Cap has the meaning ascribed to it in Article 45.4(b).

Loss means any loss, liability, damage, penalty, charge or out-of-pocket and documented cost or expense or increase thereof. For the avoidance of doubt, all actual payments reasonably made by any Person to third parties or reasonable out-of-pocket and documented costs or expenses actually suffered or incurred by any Person in respect of Claims made by third parties shall constitute Losses of such Person. Losses shall not include indirect and consequential damages including lost opportunities and lost profits.

Low Grade Ore means Itabirite hematite ore containing between thirty to fifty percent (30-50%) Fe and SiO₂ ranging from thirty-seven to fifty-three percent (37% to 53%) with acceptable characteristics to allow the ore to be Beneficiated producing a concentrate with approximately sixty-five percent (65%) Fe.

Main Contractor or **Main Subcontractor** means respectively a Contractor or a Subcontractor which delivers mining, rail transportation or mineral terminal services to, respectively, the Project Companies or a Contractor for the purposes of the Project under the conditions defined in this Convention and in the Specific Agreements and Additional Specific Agreements and (i) of which fifty percent (50%) of the work force is employed or used for the needs of the Project in the relevant year or (ii) qualifies as a Qualified Contractor or a Qualified Subcontractor.

Mainline Railway means a standard gauge heavy haul mainline railway, between the Initial Junction and the Mineral Terminal Area including the unloading facilities (rocker) and related conveyors, as well as all connected infrastructures, including, railroad fills and ballast, railways, works associated with the railways (including bolsters, passing tracks, loops, works on or underneath the tracks, supports, including supports for machinery or items associated with the use of a railway, tunnels, bridges, culverts, train control systems, signalling systems, warning systems, track machinery and other apparatus), stations, sheds, rolling stock, facilities and equipment designed for the maintenance of rolling stock, communication systems, buildings, offices, workshops and material, machinery and equipment related thereto, loops and loading and unloading tracks, terminal stations, marshalling yards, depots, weighbridges, dwellings, earthworks and concrete works, ballast wagons, temporary shelters, wells, supply networks, power plants, power and transmission lines and pipelines.

Marketing Agreement means the agreement relating to the Marketing Operations which shall be concluded between the Mine Project Company and the Marketing Company.

Marketing Company means a company in which the State does not have an equity interest, and as a party to the Marketing Agreement, is in charge of the Marketing Operations.

Marketing Operations means:

- (a) the commercial, logistical, technical and quality assurance operations for Marketing of the Sale Products;
- (b) Marketing of the Sale Products; and
- (c) assumption of credit risk associated with the buyer of the Sale Products,

carried out in accordance with the terms and conditions of this Convention and the Marketing Agreement.

Marketing of the Sale Products means:

- (a) the purchases of all Products and Nabeba Ore; and

- (b) the sales and marketing of the Sale Products inside or outside the territory of the State, in order to produce income for the Mine Project Company.

Material Adverse Effect means an effect on:

- (a) Project Operations; or
- (b) the real property, securities, assets or economic, financial or legal situation of Cam Iron, or a Project Company under a Project Agreement or a Finance Document,

which (i) is, or would reasonably be expected to be, material and adverse to: (A) the business, results of operations, or condition (financial or otherwise) of Cam Iron and the Project Companies, taken as a whole; (B) the legality, validity or enforceability of the Project Documents taken as a whole; (C) the ability of State to perform its material obligations under the Project Agreements taken as a whole or (D) the ability of the Project Companies to perform their material obligations under the Project Agreements taken as a whole.

Mbalam Ore means all iron ores produced from the Exploitation Area including the High Grade Ore and the Low Grade Ore.

Mine Commissioning means the wet commissioning of Mining Facilities associated with the Mining Operations (other than the Beneficiation Operations).

Mine Gate Value means the methodology described in 0 for the value of the Product.

Mine Loading Area means the area within the Exploitation Permit designed for the loading of the Mbalam Ore into railway wagons for the purposes of transport using the Railway.

Mine Project Company refers to the Project Company established by Cam Iron which will accede to the Exploitation Permit and the provisions of this Convention, and be in charge of Mining Operations.

Mine Project Company General Bank Guarantee has the meaning ascribed to it in Article 31.1.

Mine Project Company Environmental Bank Guarantee has the meaning ascribed to it in Article 29.2.1.

Mine Project Company Shareholders' Agreement means the shareholders agreement relating to the rights and obligations of the shareholders of the Mine Project Company, a non-exhaustive list of the material terms of which are set out in Annex X that shall be concluded between the shareholders of the Mine Project Company.

Mineral Terminal means the mineral terminal dedicated to the Project, which consists of the Mineral Terminal Facilities, located in the Mineral Terminal Area, the building and operation of which is entrusted to the Mineral Terminal Project Company, under the responsibility of Cam Iron, in accordance with the provisions of this Convention and the Mineral Terminal Agreement.

Mineral Terminal Agreement means the agreement relating to the Mineral Terminal Operations which shall be finalized and concluded between the State, the Mineral Terminal Project Company and the Kribi Port Authority in the presence of Cam Iron and shall contain a description of the assumptions and principles related to the Design Capacity and the operations of the Mineral Terminal.

Mineral Terminal Area has the meaning ascribed to it in Article 13.2.

Mineral Terminal Commissioning has the meaning ascribed to it in Article 13.1(i).

Mineral Terminal Concession means a concession granted by appropriate authority and the terms of which are set out in the Mineral Terminal Agreement.

Mineral Terminal Facilities means any infrastructure necessary for the collection, handling, storage, reclaiming, loading onto ships and export of the Sale Products, and collection of the Goods and goods for other Third Party mining operations including Nabeba Goods, before railing to the Exploitation Area or mine belonging to a Third Party including to the Nabeba Permit and loading of those onto railway wagons but excluding the Mainline Railway, the Project Roads, the Additional Roads, the unloading facilities (rocker) and conveyors but may include:

- (a) rail, waste retention ponds, dwellings, workshops and storage areas, offices, collection depots and iron ore storage sheds, iron ore storage and recovery facilities, equipment for processing and blending products, platforms and material loading facilities, a pier and berths for loading onto the ships, ship loaders, material handling tools, dust-suppression equipment, product sampling stations and tools, product weighing stations, chemical and metallurgical testing laboratories, customs facilities, earthworks and associated concrete units, roads, bridges, supply systems, gas, petroleum and water transportation pipelines, borrow material and quarries, manufacturing facilities necessary for the production of material for construction and/or the Project Operations, a power plant, transmission lines, water supply systems for industrial water and supply networks, airstrips, medical facilities, material collection facilities, material, equipment and consumables and hydrocarbon collection facilities, hydrocarbon storage facilities, all of these being owned by or leased to Cam Iron or a Subsidiary or Contractor or occupied or used by same and necessary for completion of the Project;
- (b) temporary facilities;
- (c) moorings; and
- (c) the channel, breakwater, ship passing areas, navigational aids and boathouses.

Mineral Terminal Operations means:

- (a) the design, construction, operation and maintenance of the Mineral Terminal Facilities, including the loading on board of the export ships, unloading of import ships and storage of cargoes carried out in accordance with the terms and conditions of this Convention and the Mineral Terminal Agreement, and
- (b) the Blending Operations, carried out in accordance with the terms and conditions of this Convention, the Blending Agreement and the Mineral Terminal Agreement.

Mineral Terminal Operations Agreement has the meaning ascribed to it in Article 13.5.

Mineral Terminal Project Company means the Project Company established by Cam Iron at the Date of Entry into Force, and party to the Mineral Terminal Agreement, in charge of the Mineral Terminal Operations and Blending Operations.

Mineral Terminal Project Company Environmental Bank Guarantee has the meaning ascribed to it in Article 29.2.1).

Mineral Terminal Project Company Share Transfer Agreement means the agreement relating to the State acquiring fifteen percent (15%) of the share capital and voting rights of the Mineral Terminal Project Company to be concluded between the State and the Mineral Terminal Project Company.

Mineral Terminal Project Company Shareholders' Agreement means the shareholders' agreement relating to the rights and obligations of the shareholders of the Mineral Terminal Project Company, a non-exhaustive list of the material terms of which are set out in 66(c)Annex IX and shall be concluded between the shareholders of the Mineral Terminal Project Company.

Mineral Terminal Services Agreement means the services agreement concluded between the Mineral Terminal Project Company and either the Mine Project Company or other Third Party contracting to utilise the services of the Mineral Terminal Project Company which may include a description of the tariffs to be charged by the Mineral Terminal Project Company.

Mineral Terminal Specifications means the broad specifications which will be detailed in the Mineral Terminal Agreement, and which will describe the technical requirements of the Mineral Terminal Facilities that the Mineral Terminal Project Company will need to meet while carrying out the Mineral Terminal Operations.

Minimum Annual Beneficiated Ore Production means a minimum of eleven (11) million Tonnes of Beneficiated Ore from the Beneficiation Facility in any Calendar Year (or a pro rata portion of such tonnage based on the number of applicable Days in such Calendar Year) commencing on the date that is twelve (12) months following the BF Commissioning.

Minimum Annual Ore Production means the mining and selling of a minimum of twelve (12) million Tonnes of High Grade Ore from the Exploitation Area in any Calendar Year, commencing in the Calendar Year post Project Commissioning.

Mining Code means Law No 2001/001 of 16 April 2001 as amended and supplemented by Law No 2010/011 of 29 July 2010, as it may be further amended or supplemented from time to time.

Mining Code Implementing Decree means decree No 2002/648/PM of 26 March 2002 setting the conditions for implementation of Law No 001-2001 of 16 April 2001.

Mining Facilities means all facilities constructed or operated within the Exploitation Area which are used for the mining, crushing, screening and processing and, after BF Commissioning, the Beneficiation of Mbalam Ore, water treatment and storage, transmission lines and storage facilities as well as necessary supporting infrastructure including conveying and load out facilities and accommodation facilities required to produce the Mbalam Ore for transportation to the Mineral Terminal Facility.

Mining Legislation means, collectively, the Mining Code and the Mining Code Implementing Decree.

Mining Operations means:

- (a) the design, construction, operation and maintenance of the Mining Facilities, including dismantling and rehabilitation of the said Mining Facilities;
- (b) the extraction, through any process, of the Mbalam Ore;
- (c) Beneficiation Operations;

- (d) the development, handling, transportation and storage of Mbalam Ore and Beneficiated Ore within the Exploitation Area;
- (e) an investigation aiming to localise and assess mineral substance deposits located within the Exploitation Area; and
- (f) the rehabilitation of the Exploitation Area,

carried out under the Exploitation Permit and under the terms and conditions of this Convention and the applicable Project Agreements.

Minister refers to, at all times, the Minister of the State in charge of mines.

Ministry refers to, at all times, the ministry of the State in charge of mines.

Ministry of Labor refers to, at all times, the ministry of the State in charge of labor.

Monitoring Agreement – Blending means the agreement relating to the rights of the State to review the Blending Operations and the rights of the Mine Project Company and Congo Iron to be protected from discriminatory or disproportionate treatment with regard to Blending operations.

Monitoring Agreement – Marketing means the agreement relating to Marketing Operations and the rights of the State to review those operations.

Monitoring Agreement – Treasury means the agreement relating to Treasury Operations and the rights of the State to review those operations.

Nabeba Assets or **Nabeba Goods** means, as the case may be, all assets and/or goods required for the Nabeba Project including consumables, plant, equipment, materials, commodities, vehicles, fuel and hydrocarbons.

Nabeba Convention means the convention relating to the Nabeba mining project which is to be located on the area covered by the Nabeba Permit, which convention is to be concluded between Congo Iron and the Republic of Congo.

Nabeba Ore means all iron ores produced from the area covered by the Nabeba Permit.

Nabeba Permit the areas covered by the Mineral Permit, Decree 2007-362 and Decree 2007-363 of 2nd August 2007 and renewal Decrees 2011-280 and 2011-281 of 5 April 2011 over the Nabela-Bamegod and Ibanga permits in the Sangha region of the Republic of Congo.

Nabeba Project means the mining project which is the subject matter of the Nabeba Convention and Nabeba Permit.

Notification of Breach has the meaning ascribed to it in Article 50.2(a).

Official Gazette means the Official Gazette of the State.

OHADA is the French acronym for "*Organisation pour l'Harmonisation du Droit des Affaires en Afrique*" (Organisation for the Harmonisation of Business Law in Africa) and currently comprises 16 Member States. The organisation was established on 17 October 1993 by a treaty signed in Port Louis (Mauritius), which was amended on 17 October 2008, by the Treaty of Quebec.

OHADA Act means any uniform act which has been adopted by OHADA as modified from time to time, each governing a specific matter and which are directly applicable in the territory of the State.

Operating Standards means all construction, management, operational, technical and performance standards applicable to Cam Iron and the Project Companies under any Project Agreement, including the Specifications, and if no standard is specified, then internationally recognized practices used in large mining and infrastructure projects (including any applicable international environmental standards) and compliance with Legislation and not inconsistent with Good International Industry Practices (unless the Legislation conflicts with Good International Industry Practices, in which case the Legislation shall control).

Ordinary Force Majeure means, with respect to either Party, any event or circumstance external for the affected Party, independent of its will, reasonably unforeseeable and outside its reasonable control, that prevents the Party invoking it from performing its statutory or regulatory obligations as well as its obligations under this Convention and any other Project Agreement to which it is a party, where such Party has taken all reasonable measures in order to avoid or mitigate the effect of such event or circumstance on the ability of the Party to perform its obligations under this Convention and any other Project Agreement to which it is a party and, provided that, this event or circumstance is not the direct or indirect result of a breach or non-performance by such Party of any of its statutory or regulatory obligations or of its obligations under this Convention and any other Project Agreement to which it is a party.

Without limiting the generality of the foregoing, it is expressly agreed between the Parties that the definition of Ordinary Force Majeure includes, to the extent that they satisfy the requirements of the foregoing paragraph, the following events:

- (a) earthquake, fire, tsunami, flood, cyclone, typhoon, tornado or other natural disaster; and
- (b) unforeseeable and uninsurable accidents not attributable to the Party affected by the Ordinary Force Majeure Event,

each such event or circumstance being an "**Ordinary Force Majeure Event**": the intent of the Parties is that the expression Ordinary Force Majeure should be construed in closest possible compliance with customary international law principles and practices, in particular that recognized by the United Nations International Law Commission.

Other Ores means any iron ore (whether direct shipping ore or processed ore) that is mined outside of the territory of the State and brought into the territory of the State for transport and shipment, which shall include the Nabeba Ore but exclude the Mbalam Ore.

Parties means all of the parties to this Convention, and, as applicable, to any Project Agreement, and **Party** means any one of them.

Permit Withdrawal Breach or **Permit Withdrawal Breach Event** has the meaning subscribed to it in Article 50.1.1.

Person means any individual (including, the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or a Governmental Entity.

Platts means a division of the McGraw-Hill Companies and is a provider of energy and metals information and a source of benchmark price assessments in the physical energy

markets (or a similar source if Platts does not provide applicable benchmark price assessments or is no longer providing such information).

Political Force Majeure means:

- (a) an act of war (whether declared or not), invasion, armed conflict, act of foreign enemy or blockade or any epidemic, in each case within or directly affecting the State;
- (b) an act of rebellion, riot, nationwide strikes or strikes of a political nature, acts or campaigns of terrorism or sabotage (or credible and imminent threats thereof) occurring within the territory of the State;
- (c) any event expressly identified as a "political force majeure event" under a Specific Agreement; or
- (d) any closing by the State of a border terminal through which iron ore is transported into the territory of the State (including the Congo Border Terminal),

each such event or circumstance being a "**Political Force Majeure Event**", provided however, that such event or circumstance prevents the Party invoking same from performing any statutory or regulatory obligation as well as any obligation under the Project Agreement to which it is a party, where such Party has taken all reasonable measures in order to avoid or mitigate the effect of such event or circumstance on such Party's ability to perform its obligations under the Project Agreement to which it is a party.

Positive Beneficiation Determination has the meaning ascribed to it in Article 10.1(l).

Positive Economic Feasibility Determination has the meaning set forth in Article 18.13.2(d)(ii)(I).

Positive Technical Feasibility Determination has the meaning ascribed to it in Article 18.13.2(d)(ii)(I).

Power Plant means any power plant, including the Beneficiation Power Station, to be built and/or contracted to produce the power required for the Mining Operations.

Products means:

- (a) the Mbalam Ore produced on the Exploitation Area;
- (b) the Blended Ore produced from the Mineral Terminal Area; and
- (c) the Beneficiated Ore produced from the Beneficiation Facility.

Project has the meaning ascribed to it in the preamble of this Convention.

Project Agreement(s) refers to, collectively, this Convention, the Specific Agreements, the Marketing Agreement, the Treasury Agreement, the Railway Haulage Agreement, the Mineral Terminal Services Agreement, the Monitoring Agreement - Blending, the Monitoring Agreement - Marketing, the Monitoring Agreement - Treasury, the Collective Bargaining Agreement, the Exploration Permit, the Exploitation Permit and, individually, any one of these documents and any other agreement, certificate or document entered into, issued or created in connection with the Project.

Project Agreement Termination Certificate means the certificate in a form agreed to by the Parties to be issued pursuant to Article 54.2.5(b).

Project Area means any surface area within the territory of State, including the Exploitation Area, the Railway Area and the Mineral Terminal Area, over which a Project Lease is granted to one or more of the Project Companies.

Project Commissioning means whichever date occurs last between the following three (3) dates:

- (a) the date Mine Commissioning occurs;
- (b) the date Railway Commissioning occurs; or
- (c) the date Mineral Terminal Commissioning occurs,

as acknowledged jointly by the Parties through the issuance of the last of the Findings of Compliance and the effective occurrence of the Date of First Commercial Shipping.

Project Company or **Project Companies** means: (a) Cam Iron, the Mine Project Company, the Railway Project Company and the Mineral Terminal Project Company or any Subsidiary responsible for any part of the Project Operations of which it is in charge in accordance with the terms of this Convention and in which the State held or holds (with the exception of Cam Iron), at any time, an interest of at least fifteen percent (15%) or; (b) any other entity that is a party to a Project Agreement that expressly provides for such entity to be treated as a Project Company.

Project Company Fault means:

- (a) a breach by Cam Iron, a Project Company or any Subsidiary of a Project Company of any of its material obligations under any Project Agreement or Legislation;
- (b) a breach of any material representation or warranty made by Cam Iron, a Project Company or any Subsidiary of a Project Company under any Project Agreement;
- (c) wilful misconduct of Cam Iron, a Project Company, a Project Company Person or any Subsidiary of a Project Company; or
- (d) a grossly negligent act or omission of Cam Iron, a Project Company, a Project Company Person or any Subsidiary of a Project Company.

Project Company Interest means the interest, benefits and rights of a Project Company in the Project created by the applicable Project Agreement and the rights and obligations of such Project Company in such Project Agreement.

Project Company Person means:

- (a) any director, officer, employee or agent of Cam Iron or a Project Company in each case acting as such; or
- (b) any Contractor, any Subcontractor and any representative, advisor (including any legal and financial advisor) of Cam Iron or any Project Company, in any such Person's capacity as a provider of services directly or indirectly to Cam Iron or such Project Company in connection with the Project.

Project Contract(s) refer(s) to, collectively the Mineral Terminal Services Agreements and Railway Haulage Agreements, including any Expansion Contract and, individually, any one of these documents.

Project Economic Model is the financial model which the Parties have agreed is their best understanding of the economics of the Project as of the Signature Date including the assumptions on which the financial model has been prepared, as the same may be updated pursuant to the terms of this Convention.

Project Facilities means the Mining Facilities, the Mineral Terminal Facilities and the Railway Facilities as well as any other facility which may be built in accordance with the terms and conditions set forth in Article 19.1 of this Convention.

Project Lease means:

- (a) a long-term lease entered into by a Project Company with the State in accordance with this Convention aiming at the use and occupation of the land, river-beds and seabeds required for the purposes of the Project; or
- (b) in case a long-term lease as referred to in paragraph (a) of this definition cannot be implemented, any public domain Temporary Occupation Authorisation granted by the State and/or a Governmental Entity to a Project Company on the land, river-beds and seabeds and having the same purpose as that mentioned in paragraph (a) of this definition.

Project Lease Request means a request to the State by a Project Company to enter into a Project Lease in form and substance which is typical in the territory of the State and is otherwise to be agreed to by the Parties.

Project Operations means the Mining Operations and the Connected Operations.

Project Parties has the meaning ascribed to it in Article 56.3(b)

Project Roads means all unsealed roads constructed by a Project Company which are required for the Project in accordance with the provisions of this Convention, a Project Agreement and a Project Lease and where the context permits, includes all unsealed roads constructed by:

- (a) the Mine Project Company for the support of Mining Operations;
- (b) the Mineral Terminal Project Company for the support of Mineral Terminal Operations; and
- (c) the Railway Project Company for the support of the Railway Operations.

Project Road Adjacent to the Railway means the Project Road built and located along the Mainline Railway, under a specific Project Lease, by the Railway Project Company for, but not limited to, the Project needs, in accordance with the provisions of this Convention and the Railway Agreement; provided, that a portion of such Project Road set forth in the Road Plan shall become a Public Road and cease to be a Project Road following completion of the construction of the Railway and the metallic surfacing of the applicable portions of such Project Road in accordance with the Road Plan.

Project Road Specifications means the specifications attached as an annex to the Road Agreement, containing all the technical requirements of the Project Roads that a Project Company will need to meet while carrying out the Road Operations.

Protocol has the meaning ascribed to it in Article 32.12(c).

Promulgation Decree means the decree promulgating the Enabling Law.

Proposed Expansion Schedule has the meaning ascribed to it in Article 10.13(d)(i).

Public Roads means those roads and bridges within the territory of the State that are designated by the State for public use including the applicable portion of the Project Road Adjacent to the Railway set forth in the Road Plan following completion of the construction of the Railway and the metallic surfacing of such applicable portion of the Project Road Adjacent to Railway.

Qualified Contractor means pre-approved contractors agreed to by the State and Cam Iron prior to the Date of Entry into Force or any other person or entity that has the independence, technical and financial resources to perform the obligations to be assigned to it and is reasonably experienced in performing such obligations and, with respect to those contractors and subcontractors which report directly to a Project Company and will receive aggregate payments in excess of two hundred and fifty million (250,000,000) US Dollars (without reduction for anticipated subcontracting) (adjusted by the Inflation Adjustment) to which the State has provided its prior written consent which will not be unreasonably withheld; provided that such consent will be deemed to have been given if the State does not respond to notice requesting approval of a contractor within forty-five (45) Days of the delivery of the notice.

Quadripartite Agreement means the agreement contemplated to be entered into among the State, the Republic of Congo, one or more Project Companies and Congo Iron relating to, among other things, the import of Nabeba Ore into the territory of the State before export and, the transport through the State of Nabeba Assets for use in the Nabeba Project.

Quarter means the three (3) month period of a Calendar Year ending on 31 March, 30 June, 30 September or 31 December.

Railway means the railway dedicated to the transport of iron ore and goods and assets related to the mining of iron ore, including the Railway Facilities, located within the Railway Area, the completion of which has been entrusted to the Railway Project Company, under the responsibility of Cam Iron, in accordance with the provisions of this Convention and the Railway Agreement.

Railway Agreement means the agreement relating to the Railway Operations which shall be finalized and concluded between the State and the Railway Project Company in the presence of Cam Iron and may include the indication of the Initial Junction and Initial Spur Lines, Railway Area and Railway Specifications and shall contain a description of the assumptions and principles related to the Design Capacity and the operations of the Railway. It is anticipated that the Railway Project Company will have the right to operate the Initial Spur Line and on above rail simmer from the Congo Border Terminal to the mine on the Nabeba Permit.

Railway Area has the meaning ascribed to it in Article 12.1.2(a).

Railway Commissioning has the meaning ascribed to it in Article 12.1.1(i).

Railway Concession means a concession granted by the appropriate authority and the terms of which are set out in the Railway Agreement.

Railway Facilities means the Mainline Railway, the Initial Spur Lines and, as the case may be, one or more other Additional Spur Line(s).

Railway Haulage Agreement means the services agreement which shall be finalised and concluded between the Railway Project Company and the Mine Project Company or other party contracting with the Railway Project Company which may include a description of the tariffs to be charged by the Railway Project Company.

Railway Operations Agreement has the meaning ascribed to it in Article 12.2.2(a).

Railway Operations means the design, construction, operation and maintenance of the Railway Facilities, carried out in accordance with the terms and conditions of this Convention and the Railway Agreement.

Railway Project Company means the Project Company Controlled by Cam Iron at the Date of Entry into Force, and party to the Railway Agreement, in charge of the Railway Operations.

Railway Project Company Share Transfer Agreement means the agreement to be entered into whereby the State acquires fifteen percent (15%) of the share capital and voting rights of the Railway Project Company.

Railway Project Company Shareholders' Agreement means the shareholders' agreement relating to the rights and obligations of the shareholders of the Railway Project Company, a non-exhaustive list of the material terms of which are set out in Annex X and shall be concluded between the shareholders of the Railway Project Company.

Railway Specifications means the specifications which will be detailed in the Railway Agreement and which will describe the technical requirements of the Railway Facilities that the Railway Project Company will need to meet while carrying out the Railway Operations.

RCCM means *Registre du Commerce et du Crédit Mobilier* established by the Uniform Act on Commercial Companies.

Reference Rate means the three-month US Dollar LIBOR (variable) rate, as it appears on the Telerate screen as of 11:00 a.m. (London time) two (2) Business Days (London marketplace) prior to the first (1st) Day of the relevant period. Telerate screen means page 3750 of the Dow Jones Telerate Monitor Service or such other page as may replace page 3750 for US Dollar deposits; where the Reference Rate is said to be increased by x%, the interest rate shall be calculated by addition of the LIBOR rate to the amount displayed; where the Reference Rate is said to be increased by x basis points, the interest rate shall be calculated by addition of the LIBOR rate to the basis points, it being understood that one hundred (100) basis points equal one percent (1%).

Rehab Escrow Account has the meaning ascribed to it in Article 29.2.1.

Rehab Escrow Agreement has the meaning ascribed to it in Article 29.2.1.

Relief Event means the occurrence of any of the following events or circumstances:

- (a) a Change in Law Event;

- (b) compliance by the Project Company, pursuant to the Reserved Rights or otherwise, with an order or direction by police, fire officials, armed forces or any comparable public authority having the legal authority to make such order or give such direction;
- (c) an official or unofficial strike, lockout, work rule or other labor dispute by (i) public sector employees, or (ii) private sector employees (other than employees of a Project Company, a Contractor or a Subcontractor that are working at the Project Area: (A) which (1) is regional or national in nature and affects the mining, construction, building maintenance or facilities management industry generally or (2) takes place at a facility manufacturing materials or equipment for the Project and is not directed at the Project, and (B) which lasts for more than thirty (30) Days in the aggregate;
- (d) the preemption, confiscation, diversion, destruction or other interference in possession or performance of materials or services by a Governmental Entity in connection with a public emergency or any condemnation or other taking by eminent domain of any material portion of the Project;
- (e) the issuance of an injunction or any other final order by a court of competent jurisdiction other than as a result of a reasonable determination by the issuer that such action was appropriate, with the result that the State or the Project Company becomes unable to perform its material obligations under the Convention or applicable Project Agreement;
- (f) the closure, due to an accident, construction or otherwise, of a road necessary for direct access to the Project through exercise of the State's Reserved Rights;
- (g) the performance of maintenance that cannot be performed under the Operating Standards without affecting the provision of services under the Mineral Terminal Services Agreement and Railway Haulage Agreement and the relief for which is approved in advance by the State in writing;
- (h) any unreasonable delay in or denial of the issuance of a properly submitted application (or other petition) for a Governmental Approval required for the Project for which the Project Company has complied with all material requirements under applicable Legislation, which delay is not caused by a Project Company Fault, and which continues for sixty (60) Days following notice of such unreasonable delay or denial by the applicable Project Company to the State Project Committee (or such lesser time to the extent the failure to respond would materially affect Project Operations);
- (i) a State Fault; or
- (j) any other item expressly identified as a Relief Event in a Project Agreement,

in each case, the response to which or compliance with which, in accordance with the Operating Standards, materially interferes with, delays, or increases the cost of performing the Project Operations, provided, that, none of the foregoing shall be deemed a Relief Event if it arises from or is materially contributed to, directly or indirectly, by any Project Company Fault.

Relief Event Notice has the meaning ascribed to it in Article 38.1.1.

Remedial Period has the meaning ascribed to it in Article 50.2(a)(ii).

Report(s) refers to, on an individual basis, any one of the reports specified in Article 30.3 and, collectively, all of such reports.

Representative means, with respect to any party, any director, officer, employee, official, lender (or any agent or trustee acting on its behalf), partner, member, owner, agent, lawyer, accountant, auditor, professional advisor, consultant, engineer, contractor, other Party for whom such Party is responsible at law or other representative of such Person and any professional advisor, consultant or engineer designated by such Person as its "Representative."

Request has the meaning ascribed to it in Article 56.2(a).

Reserve Expansion Capacity has the meaning ascribed to it in Article 0.

Reserved Rights has the meaning ascribed to it in Article 6.5.

Road Agreement has the meaning ascribed to it in Article 14.1.

Road Operations means the design, construction, operation and maintenance of the Project Roads, carried out in accordance with the terms and conditions of this Convention and of a Project Lease, as the case may be.

Road Plan has the meaning has the meaning ascribed to it in Article 14.1.

Rosters means a work scheme that includes a ratio of a number of work days/weeks and a number of days/weeks leave.

Royalty means the payment calculated in accordance with Article 34.

Sale Products means:

- (a) the Products; and
- (b) Nabeba Ore.

Services Application means an application for Mineral Terminal services or Railway haulage services sent by Mine Project Company, Congo Iron or any Third Party to an Expansion Project Company and the State.

Services Application Window means a period commencing on the date that an invitation is published pursuant to Article 18.7(b) and ending on the date that is forty five (45) Days thereafter.

Services Feasibility Study means a technical, commercial and economic feasibility study of the provision of Mineral Terminal services, and the provision of Railway haulage services, as applied for under a Services Application.

Share Transfer Agreement or **Share Transfer Agreements** mean one or more of the Cam Iron Share Transfer Agreement, Mineral Terminal Project Company Share Transfer Agreement and the Railway Project Company Share Transfer Agreement.

Shareholder means any entity other than the State that holds one or more shares in any Project Company.

Shareholders' Agreements mean the Mine Project Company Shareholders' Agreement, the Mineral Terminal Project Company Shareholders' Agreement and the Railway Project Company Shareholders' Agreement.

Scheme has the meaning ascribed to it in Article 4.1(d)(i).

Shifts means the continuous time period over one day measured in hours which starts from the time employees are required to start working on the Project to the time they are entitled to leave the work premises.

Signature Date means the date first written above when the State and Cam Iron signed this Convention.

South and East Regions Plan has the meaning ascribed to it in Article 29.5.1(a).

Special Development Fund has the meaning ascribed to it in Article 29.5.1(f).

Specific Agreements means, together, the Railway Agreement, the Mineral Terminal Agreement and the Blending Agreement, as well as any Additional Specific Agreement.

Specification(s) means, in plural, the Beneficiation Specifications, the Railway Specifications, the Project Road Specifications, the Mineral Terminal Specifications, construction specifications and any other specifications that could be prepared in connection with any Additional Facility Request and, in singular, any one of these specifications.

Spur Line means the Initial Spur Line or any Additional Spur Line.

Stage 1 means the period from the Date of First Commercial Shipping and ending on the earlier of (a) the date that the maximum capacity of the Railway Facilities and the Mineral Terminal Facilities achieves or is demonstrated to achieve thirty five (35) million Tonne per annum or, (b) the fourth (4th) anniversary from the Date of First Commercial Shipping.

State Fault means:

- (a) a breach by the State of any of its material obligations (other than payment obligations) under a Project Agreement; or
- (b) a breach of any material representation or warranty by the State under a Project Agreement; or
- (c) wilful misconduct of the State.

State Interest means the State interest described in Article 45.2(a)(i).

State Project Committee has the meaning ascribed to it in Article 47.1.

State Representative has the meaning ascribed to it in either Article 18.22.2(a)(ii) or Article 30.5.2(a)(ii).

Step-in Rights shall refer to such rights of the State as set forth in Article 50.4.

Subcontractors means any entity (other than the Lenders), who, carry out within the scope of a contract signed with a Contractor, all or part of the Project Operations on behalf of such Contractor, under the conditions laid down in this Convention, Specific Agreements and Additional Specific Agreements, and in compliance with the Legislation and international

norms and standards generally accepted for projects of comparable scale provided, that any such entity whose contract with a Contractor provides for aggregate payments in excess of one hundred million (100,000,000) US Dollars (adjusted by the Inflation Adjustment) shall be a Qualified Contractor.

Subsidiary means any entity which is directly owned or directly controlled by Cam Iron and/or a Project Company, and specifically excluding any entities or Affiliates owned or Controlled by any entity which, directly or indirectly, owns or controls Cam Iron or a Project Company (other than the Mine Project Company, the Railway Project Company or the Mineral Terminal Project Company).

Sundance means the company Sundance Resources Limited, organised under the laws of Australia, having its registered office at Level 35, Exchange Plaza / 2 The Esplanade/ Perth, Western Australia 6000, Australia, and registered on 1st July 2000 as an Australian Public Company under Australian Business Number No 19 055 719 394.

Sustaining Capital means capital expenditure that is necessary to ensure continuity of production output at the planned capacity incurred periodically to replace existing capital assets.

Targeted Annual Production Capacity means, prior to the BF Commissioning, a target of thirty five (35) million Tonnes per annum of Mbalam Ore and Nabeba Ore and, after the establishment of the Beneficiation Facility, that facility achieving a production capacity of thirty five (35) million Tonnes per annum of Mbalam Ore as provided for in this Convention.

Tariff Framework means the Mineral Terminal Tariff Framework and or the Railway Tariff Framework attached as Annex III as the context requires.

Tax includes:

- (a) duties, taxes and tolls of any kind, including ad valorem taxes, business licence taxes, community integration taxes, transit taxes, company taxes (impôt sur les sociétés, including the minimum company income tax based on revenue ((le minimum de perception de l'impôt basé sur les bénéfices des sociétés)), value added taxes (including council tax and value added tax), special taxes on revenue (Taxe Spéciale sur les revenus), non-resident taxes, withholding taxes, computer taxes, customs duties, excise duties, duties under the OHADA Acts, impôt sur le revenu de capitaux mobiliers taxes, stamp duties, capital gains taxes, registration duties, transit commission taxes, Port Autonome de Douala unloading taxes, personal income tax, income taxes and turnover tax (including the minimum company income taxes that represent 1.1% of the monthly or annual turnover of the company based on revenue even in the case of loss) (impôt sur les sociétés et le minimum de perception); and
- (b) costs, fees and charges of any kind, including inspection costs (including any monitoring, verification, inspection and control duties, fees, taxes and charges of Société Générale de Surveillance or any company forming a similar function), charges of the Foreign Trade Single Desk Operations (Guichet Unique des Opérations du Commerce Extérieur), importation declaration fees, transit charges, customs clearance certificate fees, customs verification fees, customs clearing agent fees, clearing and forwarding agent fees and charges, Bordereau Electronique de Suivi des Cargaisons electronic tracking charges and cargo tracking charges, transit commissioning and clearance fees, transfer fees, registration fees and charges, Bonus Payment, import file fees, transit commission fees and charges, customs clearance attestation fees, customs inspection fees, handling fees and charges (Honoraires d'Agrées en Douanes), rental charges, dividends and interest and management fees,

charged by the State, whether existing or future, regardless of nature (whether direct or indirect).

Technical Dispute shall refer to any Dispute specifically designated as a "Technical Dispute" elsewhere in this Convention whose referral to the Expert Procedure is expressly provided for in this Convention.

Technical Dispute Resolution Agreement has the meaning ascribed to it in Article 56.2(n).

Temporary Occupation Authorisation means a right to occupy the Cameroonian public domain as provided in article 9 of the Ordinance No. 74-2 of 6 July 1974 on Land Law and this Convention.

Term of the Project means a period starting on the Date of Entry into Force of this Convention and ending upon normal (including, as the case may be, any renewal) or early expiry of the Exploitation Permit.

Third Party means any person other than a Party, a Project Company, a Governmental Entity, a Subsidiary, a Shareholder, or any other entity subrogated to the rights of Cam Iron.

Third Party Facility means:

- (a) an Additional Spur Line; or
- (b) an Additional Road,

that has been authorised in accordance with the applicable provision regarding expansion as set forth in Article 18.

Tonnes means dry tonnes.

Treasury Agreement means the form of agreement relating to the Treasury Operations which shall be finalized and concluded between the Project Companies and the Treasury Company.

Treasury Operations means the management of the treasury functions of the Project Companies and the sale proceeds received by the Mine Project Company on the sale of the Sale Products, carried out in accordance with the terms and conditions of this Convention and the Treasury Agreement.

Treasury Company means a company in which the State does not have an equity interest, and as a party to the Treasury Agreement, is in charge of the Treasury Operations.

Uniform Act on Commercial Companies means the Uniform Act relating to Commercial Companies and Economic Interest Group adopted on 17 April 1997 by the Member States of the Organisation for the Harmonisation of Business Laws in Africa.

US Dollar means the currency which is the legal tender in the United States of America.

VAT means value added tax.

2 INTERPRETATION

2.1 Interpretation:

In this Convention, save any provision to the contrary:

- (a) the Annexes have the same legal force as this Convention itself of which they form an integral part;
- (b) the headings used (Articles and paragraphs) are for convenience only and shall not be construed as having any particular meaning;
- (c) a reference to the Preamble and to the Articles, paragraphs and Annexes is to the preamble and articles, paragraphs and annexes of this Convention, unless indicated otherwise;
- (d) the terms defined in Article 1 are used interchangeably in the singular or plural form where the meaning or context so requires;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a "person" includes any natural person or legal person organized under private or public law;
- (g) a reference to an "entity" includes any legal person organized under private or public law as well as any association or groups of several legal persons and excludes natural persons or group comprised of natural persons;
- (h) a reference to this Convention, an agreement, another convention or another agreement includes this document (and its annexes) such as potentially amended as well as, as the case may be, any deed that would be validly substituted therefore by way of novation; unless this Convention, such agreement or document expressly provides otherwise;
- (i) mentioning anything after "includes", "including", "for example", or similar expressions, does not limit what else might be included;
- (j) the terms "grant", "award", "delivery" where applied to an authorisation, a permit, a lease or any other legal document designate the moment when the authorisation, permit, lease or administrative document has been duly delivered or enacted by the relevant Governmental Entity, notified to the beneficiary in the manner prescribed by the Legislation or this Convention and, in the case of a regulatory document, published with the Official Gazette or according to the other methods required, as the case may be, by the Legislation. The ministerial or inter-ministerial orders granting the authorisations, the decrees and the laws of the State must, in particular, be published with the Official Gazette;
- (k) in case of conflict or contradiction between the provisions of this Convention and those of its Annexes or any other Project Agreement, those of this Convention shall prevail except where the Annex or Project Agreement expressly contemplates that it will prevail. In case of conflict or contradiction between any general provision and a special provision then the specific provision shall prevail over the general provisions;
- (l) the Parties acknowledge that this Convention is being finalized in both English and French and agree that the English version shall prevail in the event there is any contradiction or inconsistency between the English version of this Convention and the French version of this Convention; and
- (m) any reference to a specific law in this Convention shall, unless otherwise specified, be deemed a reference to such law as in effect in the State.

3 LEGAL NATURE AND PURPOSE OF THIS CONVENTION

3.1 Legal Nature of this Convention

- (a) This Convention is, *inter alia*, a mining convention within the meaning of the Mining Legislation. It determines:
- (i) the technical, legal, tax, customs, economic, administrative, land, employment and environment conditions with a view to the Parties' performance of the Project; and
 - (ii) the main terms and conditions for carrying out the Mining Operations within the Exploitation Area.
- (b) This Convention also sets for the framework for the Connected Operations, which the Parties acknowledge are an essential component of the Project and integral to the Mining Operations. The Specific Agreements relating to the Connected Operations shall be concluded by the Parties after the Signature Date in accordance with the terms set forth on the applicable Annexes hereto, to the extent applicable, and shall become a part of this Convention upon ratification of this Convention by the Enabling Law.
- (c) The Parties intend, as a Condition Precedent, to enter into a written agreement agreeing on the form of Annexes contemplated by this Convention but not attached at the time of signing and may also update annexes by agreement.
- (d) To the extent any provision of this Convention and a Project Agreement departs from the provisions of the Legislation, such provision shall only be effective to the extent approved in the Enabling Law. Without limiting the foregoing, the Enabling Law shall address any authorizations needed under Legislation to permit the Marketing Company to accomplish the Marketing Operations.

3.2 Project Description

The Parties agree that the Project is an integrated mining and infrastructure project, all steps of which shall be undertaken by the Project Companies, with a view to optimally exploiting the Mbalam Ore resources contained within the Exploitation Area and to allow for the development of an integrated iron ore mining industry in the territory of the State.

To this end, the Parties accept that:

- (a) subject to this Convention, Cam Iron shall have overall responsibility for Project Operations and in that capacity, shall be responsible for the completion and the proper execution of the Project relative to the terms and conditions set by Legislation, by this Convention, and by all of the other Project Agreements;
- (b) the Mine Project Company, as assignee of the Exploitation Permit and holder of the Exploitation Lease, shall be in charge of carrying out the Mining Operations in compliance with the terms and conditions set by Legislation, this Convention and those of the Project Agreements to which it is a party;
- (c) the completion of the Connected Operations shall be entrusted to the other Project Companies for the terms referred to in this Convention, of

which:

- (i) the Railway Project Company is in charge of conducting the Railway Operations and Road Operations;
- (ii) the Mineral Terminal Project Company is in charge of conducting the Mineral Terminal Operations and Blending Operations; and
- (iii) as the case may be, any Project Company in charge of conducting any other operations required for or connected with the Project,

in compliance with the terms and conditions of the Legislation, this Convention, the Project Agreements and the Project Leases to which each of the Project Companies is a party;

- (d) conduct of the Marketing Operations shall be entrusted to the Marketing Company; and
- (e) conduct of the Treasury Operations shall be entrusted to the Treasury Company.

3.3 Project Economic Model

- (a) As at the Signature Date, the Parties have agreed on the Project Economic Model which:
 - (i) is built up on the economics detailed in the Feasibility Study and any updates included up until the Signature Date; and
 - (ii) takes account of the exonerations, reductions and fiscal principles proposed by Cam Iron prior to their final negotiation of this Convention.
- (b) The Parties agree to keep confidential and hold the Project Economic Model for the benefit and use of the Parties. The State may retain a copy of and access and use the Feasibility Study and Project Economic Model for its own use for any purpose including: (i) the operation of the Railway and Mineral Terminal directly or by a Third Party after the expiration of the Railway Agreement and Mineral Terminal Agreement respectively and, (ii) mining operations after the end of the Term of the Project.

3.4 Joint and Several Liability

- (a) Other than as provided for in Article 3.4(d), Cam Iron expressly consents to be jointly and severally liable to the State for all the obligations undertaken by the Project Companies hereunder or under the various Project Agreements.
- (b) This commitment by Cam Iron to joint and several liability shall continue until any obligation entered into by any Project Company under any document referred to in Article 3.4(a) has been fully and finally satisfied or as otherwise provided for in Article 3.4(d).
- (c) The commitment of Cam Iron under this Article 3.4 is the subject of a separate document which the Parties intend to negotiate (the "Joint

Liability Subscription Agreement”), which may incorporate Article 1200 *et seq.* of the Cameroonian Civil Code and shall set forth, among others, Cam Iron’s obligation to perform or cause to be performed any specific obligation of Cam Iron or any Project Company, or pay or cause to be paid any amount due by Cam Iron or any Project Company, in each case, under any Project Agreement.

- (d) Cam Iron shall be released from being jointly and severally liable to the State for all the obligations undertaken by a Project Company where:
- (i) more than fifty percent (50%) of the voting equity interests in that Project Company are held by or have been transferred to the State or a Governmental Entity (whether together or by one of them); or
 - (ii) the State agrees in writing to release Cam Iron from that obligation on the basis of an alternate party acceptable to the State offering to be jointly and severally liable for the obligations of the Project Company and that party having financial standing which is no less than that of Cam Iron or, if less, otherwise acceptable to the State.

3.5 Other Deliveries on the Signature Date

In addition to any other documents or items required to be delivered to the State on the Signature Date, the State shall also have received from Cam Iron:

- (a) a letter agreement from Sundance in favour of the State, which, among other things, provides for a guarantee by Sundance of the obligations of Cam Iron under this Convention prior to the Date of Entry into Force and an agreement to pay or cause to be paid to the State a break-up fee in certain circumstances and the Bonus Payment required to be paid as set forth in Article 36.3; and
- (b) (i) a certificate of appropriate public officials, dated a date reasonably close to the Signature Date, as to the existence and good standing in its jurisdiction of organization; (ii) a certificate, dated as of the Signature Date, duly executed and delivered by an officer of Cam Iron, certifying as to (A) resolutions of its board of directors then in full force and effect authorizing the execution, delivery and performance of this Convention, (B) the incumbency and signatures of those of its officers or other authorized representatives, as applicable, authorized to execute this Convention on behalf of Cam Iron and (C) the full force and validity of each organizational document of Cam Iron and copies thereof.

3.6 Project Commissioning

- (a) Cam Iron undertakes that the Project Commissioning occur within six (6) years following the Date of Entry into Force or such later date as otherwise agreed.
- (b) In case of disagreement between the Parties concerning the completion of the Project Commissioning, the provisions of Article 56 shall apply. For the purposes of this Article, such a disagreement shall be deemed to constitute a Technical Dispute.

4.1 Conditions Precedent

Except for the provisions of this Article 4 as well as Articles 1 (Definitions), 2 (Interpretation), 4 (Conditions Precedent), 36.3 (Bonus Payment), 44 (Confidentiality), 56 (Dispute Resolution), 59 (Legislation in Force), 60 (Entire Agreement), 61 (No Waiver), 62 (Severability) and Article 3 of Annex VII (Bonus Payment) which will, to the extent applicable, become effective as of the Signature Date, this Convention and the Parties' rights and obligations under this Convention shall only become effective at the time indicated in Article 4.4 and subject to the prior satisfaction of the following conditions:

- (a) the delivery by Cam Iron to the State of an updated Feasibility Study which: (i) includes details of the costs for the construction of the foundations required for a dual track and any delays and direct costs such construction would cause to the construction of the Mainline Railway for (A) the first two hundred and fifty (250) kilometres of the Railway (from Lolabe), and (B) the entire length of the Mainline Railway; (ii) the impact on the construction time frame for building the Mainline Railway; (iii) includes the update to the independent reserve statement including changes in construction and operating cost, the production profile and the Project Economic Model; and (iv) a description of the key components of and assumptions associated with reaching the Design Capacity and an annual capacity of two hundred million (200,000,000) wet tonnes on the Railway and for the Mineral Terminal.
- (b) the delivery by Cam Iron to the State of a commitment letter for the Debt required by the Project;
- (c) agreement by the Parties on the form of all Annexes contemplated by this Convention but not attached at the Signature Date;
- (d) Sundance shall have either:
 - (i) consummated the transactions contemplated by the scheme of arrangement announced involving Sundance and Hanlong (Africa) Mining Investment Ltd in 2011 and subsequently varied (the "Scheme") pursuant to which one hundred percent (100%) of the shares of Sundance will be acquired by a Third Party; or
 - (ii) completed a transaction with another entity or entities which, in the opinion of the State, acting reasonably, has the independence and capability to run the Project and has firm written commitments for the equity and debt financing necessary to achieve Project Commissioning;
- (e) the passage of the Enabling Law in a mutually acceptable form and issuance of the Promulgation Decree;
- (f) the delivery of a signed copy of the Joint Liability Subscription Agreement by Cam Iron to the State;
- (g) the registration of the Mine Project Company and the conclusion and entry into force of the Mine Project Company Share Transfer Agreement,

the Mine Project Company Shareholders' Agreement and an Accession Notice by the Mine Project Company;

- (h) the registration of the Railway Project Company and the conclusion and entry into force of the Railway Project Company Share Transfer Agreement, the Railway Project Company Shareholders' Agreement, the Railway Agreement and an Accession Notice by the Railway Project Company;
- (i) the registration of the Mineral Terminal Project Company and the conclusion and entry into force of the Mineral Terminal Project Company Share Transfer Agreement, the Mineral Terminal Project Company Shareholders' Agreement, the Mineral Terminal Agreement and an Accession Notice by the Mineral Terminal Project Company;
- (j) the execution of the Technical Dispute Resolution Agreement;
- (k) the notification, to Cam Iron, of the publication in the Official Gazette of the Promulgation Decree, if any;
- (l) the approval by the State of any Finance Documents to which the State is a party, and the closing of the lending transactions contemplated by the Finance Documents;
- (m) the delivery of the Exploitation Permit to Cam Iron materialized by the notification, to Cam Iron, of the publication in the Official Gazette of the Granting Decree to the extent required by the Legislation;
- (n) a certificate from an officer of Cam Iron or the applicable Project Company certifying that all of Cam Iron's representations and warranties, as set forth in this Convention and all the representations and warranties by the applicable Project Companies (if any exist at the time) or their Subsidiaries under the Project Agreements shall, in each instance, be true and correct in all respects on the Signature Date (other than any representations and warranties that relate to a specific date, in which case such specific date) and after giving effect to any disclosure provided in such certificate;
- (o) a certificate from the State certifying that all of State's representations and warranties, as set forth in this Convention and the Project Agreements to which the State is a party on the date of execution shall, in each instance, be true and correct in all respects on the Signature Date (other than any representations and warranties that relate to a specific date, in which case such specific date) and after giving effect to any disclosure provided in such certificate;
- (p) the State shall have received from each Project Company or Subsidiary executing a Project Agreement: (i) a certificate of appropriate public officials, dated a date reasonably close to the date of execution of such Project Agreement, as to the existence and good standing of such Project Company or Subsidiary in its jurisdiction of organization; and (ii) a certificate, dated as of the date of execution of such Project Agreement, duly executed and delivered by an officer of such Project Company or Subsidiary, as to (A) resolutions of its board of directors then in full force and effect authorizing the execution, delivery and performance of such

Project Agreement and the transactions contemplated thereby, (B) the incumbency and signatures of those of such Project Company or any Subsidiary's officers, authorized representatives, agents, managing members or general partners, as applicable, authorized to act with respect to each Project Agreement to be executed by such Project Company or Subsidiary and (C) the full force and validity of each organizational document and copies thereof;

- (q) the Project Companies shall have received from the State: (i) the incumbency and signatures of those State officials authorized to act with respect to each Project Agreement to be executed by such Project Company or Subsidiary;
- (r) the issuance of the Bank Guaranty(ies) required by the terms of this Convention to be in effect on the Date of Entry into Force;
- (s) the execution of the Railway Haulage Agreement by the Railway Project Company and the Mine Project Company and the Mineral Terminal Services Agreement by the Mineral Terminal Project Company and the Mine Project Company;
- (t) the execution of the Monitoring Agreement – Blending;
- (u) the execution of the Monitoring Agreement – Marketing;
- (v) the execution of the Monitoring Agreement – Treasury;
- (w) the execution of the Marketing Agreement, including the registration of the Marketing Company;
- (x) the execution of the Treasury Agreement, including the registration of the Treasury Company;
- (y) the binding and effectiveness of the insurance policies required in accordance with the Finance Documents;
- (z) the execution by all applicable parties thereto of each of the:
 - (i) Aerodrome Agreement;
 - (ii) Explosives Agreement;
 - (iii) Conservation Convention;
 - (iv) Road Agreement;
 - (v) Blending Agreement;
 - (vi) Beneficiation Agreement;
 - (vii) Beneficiation Escrow Agreement;
 - (viii) Foreign Exchange Agreement;
 - (ix) Project Leases for the initial territory covered by the Exploitation Permit, Mineral Terminal Area and Railway Area; and

(x) Rehab Escrow Agreement; and

(aa) the Parties shall have agreed on a list of pre-approved Qualified Contractors.

(together, the "Conditions Precedent").

4.2 Quadripartite Agreement.

The Parties may also negotiate the Quadripartite Agreement but the effectiveness of this Convention shall not be conditioned upon the execution of the Quadripartite Agreement.

4.3 Satisfaction and Benefit of the Conditions Precedent

(a) Except as set forth below, the Parties shall also use their reasonable endeavours to cause the Conditions Precedent to be satisfied as soon as possible after the Signature Date and in any event before the CP Long Stop Date. Notwithstanding the foregoing or anything to the contrary in this Convention:

(i) all Conditions Precedent requiring the execution of an agreement also require that the agreement be on terms acceptable to the Parties to that agreement;

(ii) the Condition Precedent set forth in Article 4.1(a) shall be satisfied on or before the date that is six (6) months following the Signature Date and the Condition Precedent set forth in Article 4.1(b) shall be satisfied on or before the date that is nine (9) months following the Signature Date or, in either case, such other date as the Parties may agree;

(iii) the State shall have no obligation to present the Enabling Law to Parliament for approval until the Conditions Precedent set forth in Articles 4.1(a) and (b) are satisfied and only to the extent such Conditions Precedent are satisfied within the timing required by Article 4.3(a)(ii); and

(iv) the Parties shall use their reasonable efforts to finalize, prior to the submission of the Enabling Law, any Project Agreement which the Parties agree requires a variance or waiver of Legislation, so such variance or waiver can be included in the Enabling Law which the Parties will seek to be presented to the Parliament of the State for approval at the scheduled session of Parliament that occurs following agreement on the terms of any such Project Agreements and variances and waivers.

(b) In the event that any of the Conditions Precedent are not satisfied or waived at the latest on the CP Long Stop Date, the Parties agree to meet in order to decide (with no obligation to agree), within ninety (90) Days following the CP Long Stop Date to either:

(i) each waive in writing any non-satisfied Conditions Precedent; or

(ii) postpone the CP Long Stop Date to any subsequent date as mutually

agreed between the Parties.

- (c) In the event of either, failure to reach an agreement on the waiver of the non-satisfied Conditions Precedent, or agreement to extend the CP Long Stop Date without satisfaction or waiver of the Conditions Precedent by such CP Long Stop Date:
- (i) this Convention shall be null and void and the rights and obligations potentially arisen under this Convention shall be automatically terminated and revoked;
 - (ii) Cam Iron shall not be entitled to invoke any right under any Project Agreement; and
 - (iii) each Party (including, with respect to Cam Iron, any Subsidiary, Shareholder and Lender) expressly and irrevocably undertakes not to seek the other Party's liability due to a failure to fulfil one or more Conditions Precedent (only in this case other than as a result of a failure to use reasonable efforts) or to that Party's refusal, at its sole discretion, to waive such fulfilment in writing.
- (d) If the Parties agree to waive the satisfaction of a specific Condition Precedent which provides for execution of a Project Agreement, and agree to continue to work to finalize such Project Agreement following the Date of Entry into Force, the Parties shall continue to negotiate the terms of such Project Agreement for an additional, mutually agreeable period of time, and if the Parties do not reach final agreement by such time, any Party may submit the matter as a Technical Dispute to the Expert Procedure and request the determination of the appropriate terms of the item constituting the waived condition and the decision of the experts in the Expert Procedure shall determine the terms on which the Parties shall enter into the waived item.

4.4 Entry into Force of this Convention

This Convention shall be effective on that date on which all of the Conditions Precedent shall be satisfied or waived (such date, the "**Date of Entry into Force**").

4.5 Parties' Responsibilities between the Signature Date and the Date of Entry Into Force

- (a) Each Party shall justify and notify the other Party any satisfaction of the Conditions Precedent as and when they occur.
- (b) The Parties undertake, to a reasonable extent, to provide any information or assistance requested by the other Party in order to enable the performance of all obligations to which they are bound under Article 4.1. If the satisfaction of the relevant Condition Precedent is the responsibility of only one Party and the latter seeks the assistance of the other Party, all costs and expenses related to such assistance shall be borne by the Party seeking to satisfy the relevant Condition Precedent.
- (c) Each Party shall notify the other Party in writing of the occurrence of any event likely to prevent the Conditions Precedent from being satisfied before, or no later than, on the CP Long Stop Date, as soon as the Party

becomes aware of the relevant event.

- (d) The Parties acknowledge that the Conditions Precedent listed are for the benefit of each Party and that the State and Cam Iron shall use their reasonable endeavours to cause the satisfaction of such Conditions Precedent and that any such Condition Precedent may only be waived with the agreement of each Party.

5 REPRESENTATIONS AND WARRANTIES

5.1 Cam Iron Representations and Warranties

Cam Iron hereby represents and warrants to the State as follows:

- (a) it is a *Société Anonyme* duly organized and validly existing under the Legislation and has full power, right and authority to execute this Convention and any other Project Agreement to which Cam Iron is a party and which it is executing at the applicable time of the making of this representation, and to perform each of its obligations herein and therein;
- (b) neither the execution by Cam Iron of this Convention and any Project Agreement to which Cam Iron is a party and which it is executing at the applicable time of the making of this representation, nor the fulfilment of the obligations contemplated hereby or thereby, is in conflict with or has resulted or will result in a default under or a violation of the governing instruments of Cam Iron or any other agreements or instruments to which it is a party or by which it is bound;
- (c) each of this Convention and the Project Agreements to which Cam Iron is a party and which it is executing at the applicable time of making of this representation constitutes the legal, valid and binding obligation of Cam Iron, enforceable against Cam Iron, in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting the enforceability of the rights of creditors generally;
- (d) as of the date of the applicable representation, there is no action, suit, proceeding, investigation or litigation pending and served on Cam Iron which challenges Cam Iron's authority to execute, or perform, or the validity or enforceability of this Convention and any Project Agreement to which Cam Iron is (or will be) a party, or which challenges the authority of the individual executing this Convention and any Project Agreement for Cam Iron, and Cam Iron has disclosed to the State any pending and un-served or threatened action, suit, proceeding, investigation or litigation with respect to such matters of which Cam Iron is aware;
- (e) the information supplied and representations and warranties made by Cam Iron in the Feasibility Study, the Project Economic Model, reports and official submittals and applications to the State, to the knowledge of Cam Iron after diligent investigation with its employees and legal and other advisors of Cam Iron involved (including employees of Sundance):
 - (i) with regard to factual statements (A) are true, correct and complete in all material respects; (B) do not contain any untrue statement of a material fact or omit to state any material fact necessary, in light of the

circumstances under which it was made, in order to make the statements in this Convention not misleading; and (C) with respect to projections and to the extent not otherwise disclosed (1) are made in good faith; (2) are based on the best available information at the time of delivery; and (3) have not been superseded and are the only item of that type in use at the time;

- (f) it has carefully reviewed the whole of this Convention, the Project Agreements which are being executed as of the date of this representation and all applicable Legislation prior to the Signature Date, and, subject to the satisfaction of the Conditions Precedent, has taken all steps it considers reasonably necessary to satisfy itself that, assuming the satisfaction of the Conditions Precedent, nothing contained in this Convention or a Project Agreement which is being executed at the applicable time of the making of this representation inhibits or prevents Cam Iron from performing and completing the Project as currently contemplated;
- (g) as of the Signature Date, it is in compliance in all material respects with the Legislation pertaining to the transactions contemplated in this Convention; and
- (h) the Project Economic Model:
 - (i) was prepared by or on behalf of Cam Iron in good faith;
 - (ii) discloses all material cost, revenue and other financial assumptions and projections used by Cam Iron in determining to enter into this Convention; and
 - (iii) is substantially similar (exclusive of any changes made as a result of the discussions between the State's Representatives and Sundance) to the financial model presented to Hanlong (Africa) Mining Investment Ltd for it to present to the anticipated Lenders.

5.2 State Warranties

The State warrants to Cam Iron and the Project Companies the following:

- (a) it has full status, power, right and authority to execute and perform this Convention and the other Project Agreements to which it is a party and which it is executing at the time of this representation and to perform each and all of its obligations provided for in this Convention and the Project Agreement;
- (b) each of the Project Agreements to which the State is a party and which it is executing at the time of this representation constitutes a legal, valid and binding obligation of the State enforceable against the State in accordance with its terms;
- (c) as of the date of the representation, there is no action, suit, proceeding, investigation or litigation pending and served on the State which challenges the State's authority to execute or perform, or the validity or enforceability of this Convention or any other Project Agreement to which the State is a party or which challenges the authority of the State

executing this Convention or any other Project Agreements to which the State is a party;

- (d) the State has carefully reviewed the whole of this Convention, the Project Agreements which it is executing at the time of this representation and all applicable Legislation prior to the Signature Date, and, subject to the satisfaction of the Conditions Precedent, has taken all steps it considers reasonably necessary to satisfy itself that assuming the Conditions Precedent are completed, nothing contained in this Convention and any Project Agreement to which it is a party as of the date of this representation inhibits or prevents the State from performing and completing the Project as currently contemplated; and
- (e) in executing this Convention, the State is in full compliance with any Legislation. As of the Signature Date, all financial obligations required by the State for the Project under this Convention or any other Project Agreement to which the State is or will be a party are or will at the appropriate time be included in the State's annual financial programs.

6 SCOPE WIDTH AND PERFORMANCE OF THIS CONVENTION

6.1 Scope of this Convention

- (a) The rights created by this Convention are solely for the benefit of the Parties hereto and their respective permitted Assignees, and, except as expressly provided in Articles 28.2(a), 32 and 43.1, no other Person shall have or be construed to have any legal or equity right, remedy or claim under or in respect of or by virtue of this Convention or any provision herein contained, provided the permitted Contractors and Subcontractors shall be entitled to benefit from Cam Iron's Tax incentives and exemptions in this Convention with respect to their work on the Project in connection with such entity's performance pursuant to the Project Agreements, provided, however that only one entity shall be entitled to enjoy such benefits with respect to each individual product or service contemplated under the Project Agreements and no such Contractor or Subcontractor shall have a direct relationship with the State, be a third party beneficiary or have a right to bring a cause of action or enter into any dispute resolution proceeding with the State, but rather Cam Iron and the Project Companies shall be able to claim any denied Tax benefits or incentives under claims permitted through the Project Agreements and then the applicable Project Company, if any, shall refund to such Contractor or Subcontractor any compensation received. No Shareholder, Subsidiary, Contractor, Subcontractor, Lender, nor any respective employee thereof, shall be deemed a third party beneficiary of this Convention or any Project Agreement unless such Person is an Assignee.
- (b) Any suspension, termination, extinguishment or expiry of the rights and benefits granted to the Project Companies under this Convention triggers, automatically and under the same conditions, suspension, termination, extinguishment or expiry of the extension of said rights and benefits to the Persons referred to in the preceding Article.

6.2 Cooperation

The State and Cam Iron undertake to reasonably cooperate in order to fulfil the purpose of this Convention; provided, that, nothing herein shall be deemed to restrict the ability of the State to enforce the Legislation and pursue civil and criminal actions in connection with violations of the Legislation. This Article shall apply to all references in the Project Agreements to the State's obligation to cooperate, regardless of whether expressly stated in such Project Agreement. The State Project Committee shall be formed and empowered with offering timely State cooperation to Cam Iron and the Project Companies with respect to performance of their responsibilities under the Project Agreements including any matter in any Project Agreement that requires the consent or the approval of the State.

6.3 Compliance with Undertakings and Binding Effect of this Convention

Each Party agrees to comply with the undertakings, obligations and responsibilities to which it is bound under this Convention in accordance with the Legislation.

6.4 Accession to this Convention

The Parties to this Convention agree that notwithstanding Article 49, each Project Company, once duly incorporated with the relevant RCCM, shall automatically become a Party to this Convention by delivering a duly executed Accession Notice supported by an extract of the minutes of its governing body or relevant organ of management, that the person executing the Accession Notice has been duly authorised to execute the Accession Notice.

Such an Acceding Party shall immediately benefit from and be bound by this Convention to the extent specified in the Accession Notice, or as otherwise applicable to that Acceding Party, upon receipt of the Accession Notice by all the Parties to this Convention as of the date of the Accession Notice, provided, that, each Acceding Party shall be required to make the same representations and warranties as Cam Iron under this Convention, as of the effective date of such Accession Notice, and shall assume, with respect to its applicable portion of the Project, all obligations of Cam Iron and/or the applicable Project Company hereunder and under the Legislation, any applicable permits and the Environmental and Social Management Assessment Plan, including with respect to Operating Standards, State remedies, notification, dispute resolution, provision of Bank Guarantees or other security and other operational matters. For the avoidance of doubt, Cam Iron shall not be released from any of its obligations hereunder by virtue of any such accession.

6.5 Reservation of Rights

Notwithstanding anything to the contrary in this Convention or in any Project Agreement, the State reserves (for itself, its Representatives and Governmental Entities) the right and shall, at all times during the Term of the Project, have the right to enter the Project Area and each and every part thereof at all reasonable times and, to the extent practicable under the circumstances, upon reasonable prior notice (which notice shall outline the reasons for and/or object of the State's actions) in the following circumstances (the "**Reserved Rights**"):

- (a) to inspect the Project or determine whether or not a Project Company is in compliance with its obligations under this Convention, a Project Agreement or Legislation, as further set forth in Article 30.2(b);

- (b) in the event of an actual or reported emergency, danger, threat, circumstance or event that is reasonably believed by the State or its designee (including relevant police, fire, emergency services, armed forces, and any other security or emergency personnel in accordance with Article 6.9) to have caused (or to present the imminent potential to cause) injury to individuals, damage to property, or threat to the Environment or to public safety, to take, at such times as the State determines necessary in its discretion and with notice to the Project Company if practicable under the circumstances, such actions as the State or such designee determines necessary to respond to or to rectify such emergency, danger, threat, circumstance or event without liability to the Project Companies;
- (c) to design, construct, operate, manage, maintain, repair and rehabilitate any existing or future roads, highways, port terminals, railroads or aerodromes (other than as contemplated in the Project Agreements) adjacent to, above or under the Project in accordance with the terms set forth in this Convention or any Project Agreement; and
- (d) solely in accordance with the terms of the Project Agreements, to do any other act or thing that the State may be obligated to do pursuant to the terms of such Project Agreement or have a right to do under such Project Agreement, including those expressly referenced as "Reserved Rights."

In connection with any entry made pursuant to this Article 6.5, the State shall use reasonable efforts (*obligation de moyens*) to minimize interference with the Project Operations in connection with any entry on the Project. With respect to any entry or action under Article 6.5(b) above and, to the extent applicable pursuant to the terms of this Convention, Article 6.5(d) above, in each case, that qualifies as a Compensation Event, the State shall pay to the Project Company or otherwise deliver the Convention Compensation, upon demand by the Project Company and, if Disputed, after final judgment or arbitral award is rendered in each case in accordance with the procedures set forth in this Convention for payment of Convention Compensation.

6.6 State Access Rights.

The State and its Representatives, during the progress of any work referred to in Article 6.6, at no cost to the State or its Representatives, shall have all necessary or appropriate easement and access rights and may keep and store at the Project all necessary or appropriate materials, tools, supplies, equipment, sheds, mobile trailers and other vehicles, in a reasonably neat and orderly fashion, in material compliance with the Legislation and the Environmental and Social Assessment and Management Plan and so as to not unreasonably interfere with the applicable Project Company's conduct of Project Operations. To the extent that the State undertakes work or repairs under Article 6.6 or any other provision of this Convention, such work or repairs shall be commenced and diligently completed in a good and workmanlike manner, in accordance with any applicable Operating Standards and in such a manner as not to unreasonably interfere with the conduct of business in or use of such space to the extent reasonably possible without incurring any additional cost. Cam Iron and the applicable Project Companies shall be indemnified for any Losses related to the foregoing access rights and shall not be responsible for any harm to persons or property in connection with such rights, in each case, absent gross negligence or wilful misconduct on the part of Cam Iron or such Project Company.

6.7 Effect of Reservation.

Any reservation of a right by the State to enter upon the Project and to make or perform any repairs, alterations, restoration or other work in, to, or about the Project which is the Project Company's obligation pursuant to this Convention or any other Project Agreement, shall not be deemed to: (a) impose any obligation on the State to do so; (b) render the State responsible to a Project Company or any other Person for the failure to do so; or (c) relieve a Project Company from any payment obligation to the State as otherwise provided in this Convention or any other Project Agreement. Nothing in this Convention or any other Project Agreement shall impose any duty upon the part of the State to do any work required to be performed by the Project Company hereunder and performance of any such work by the State shall not constitute a waiver of the Project Company's default in failing to perform the same.

6.8 **No Request to Contractors.**

Nothing contained in this Convention shall be construed as constituting the request of the State, express or implied, by inference or otherwise, to any Contractor or Subcontractor for the performance of any labour or service or the furnishing of any materials for the improvement, alteration, addition or repair of the Project or any part thereof.

6.9 **Police, Fire, Emergency and Public Safety Access Rights.**

Notwithstanding any other provision of this Convention, at all times during the Term of the Project and without notice (unless, in the discretion of the State, there is adequate time for such notice) or compensation to Cam Iron or the Project Companies, any police, fire and emergency services and any other security or emergency personnel, including the armed forces, and any Governmental Entity with jurisdiction over the Project Area, shall have access to the Project Area as necessary for emergency management and homeland security purposes, including the prevention of, practice drills for, or response to, a public safety emergency. Cam Iron and the Project Companies shall cooperate with police, fire and emergency services and any other security or emergency personnel, including the armed forces, in respect of such emergency management and homeland security purposes. The State shall use its reasonable efforts (*obligation de moyens*) to minimize: (a) the duration and scope of any such declaration; (b) the adverse impact that any such declaration may have on the Project Operations; and (c) any public perception that Cam Iron or the applicable Project Company is acting in conjunction with any of the foregoing State efforts.

7 **TERM OF THIS CONVENTION AND SURVIVAL**

7.1 **Term of the Project and Survival**

Without prejudice to the provisions of Article 4.1, this Convention shall take effect on the Date of Entry into Force, and except as provided herein, shall remain effective for the Term of the Project. Articles 1 (Definitions), 2 (Interpretation), 4 (Conditions Precedent), 36.3 (Bonus Payment), 44 (Confidentiality), 56 (Dispute Resolution) and 59 (Legislation in Force), 60 (Entire Agreement), 61 (No Waiver), and 62 (Severability) and any other sections that survive by their terms shall survive the termination of this Convention.

7.2 **Termination**

Notwithstanding Article 7.1, the Exploitation Permit may be withdrawn and this Convention may be terminated prior to expiry of the Term of the Project in accordance with in Article 50 and the Legislation.

SECTION II – MINING OPERATIONS

8 MINING OPERATIONS AND EXPLOITATION PERMIT

8.1 Granting of the Exploitation Permit and of the Exploitation Lease

- (a) Within forty-five (45) Days of Date of Entry into Force, or such longer period as may be reasonably required by the State, the State shall:
- (i) publish in the Official Gazette a decree of the appropriate authority, upon proposition of the Minister, an *arrêté* of the Minister authorising and acknowledging the transfer of the Exploitation Permit from Cam Iron to the Mine Project Company, to the extent required under the Legislation and in accordance with the terms of this Convention; and
 - (ii) grant an Exploitation Lease to the Mine Project Company for an initial term of twenty-five (25) years as from the Date of Entry into Force with an option to extend automatically on the extension of the Exploitation Permit subject to applicable conditions and requirements.
- (b) The initial transfer of the Exploitation Permit from Cam Iron to the Mine Project Company shall be exempt from any Tax including any Bonus Payment.

8.2 Renewal of the Exploitation Permit and of the Exploitation Lease

- (a) Upon expiry of the initial validity period of the Exploitation Permit, the Mine Project Company may apply for, in accordance with Article 66 of the Mining Code Implementing Decree, at least twenty-four (24) months prior to its expiry date, the renewal of the Exploitation Permit for a maximum period of ten (10) years. The Exploitation Permit may subsequently be renewed by maximum successive periods of ten (10) years with the renewal application being made at least twelve (12) months prior to the then expiry date.
- (b) Subject to Article 8.2(c), the Exploitation Permit shall be renewed subject to Cam Iron and the Project Companies, as well as their successors and respective Assignees, having complied with their contractual obligations under this Convention and the other Project Agreements (including the absence of material breach of such agreements); and if the Mine Project Company demonstrates the commercial nature of the Mbalam Ore, in accordance with section 48(2) of the Mining Code.
- (c) The State agrees that it will not unreasonably deny or delay any properly completed and submitted application for renewal of the Exploitation Permit.

8.3 Rights Granted

The Exploitation Lease will grant, according to its terms, the Mine Project Company the right to access and to occupy, on an exclusive and temporary basis, subject to the Reserved Rights of the State, the land located within the Exploitation Area to carry out the Mining Operations therein, in accordance with

the terms and conditions thereof, of this Convention and of the Legislation.

8.4 New Discoveries

- (a) If the Mine Project Company discovers, within the framework of its Mining Operations, a reasonably material amount of mineral substances other than iron ore, within the Exploitation Area, the Mine Project Company and Cam Iron undertake to promptly notify this discovery to the Minister in accordance with the provisions of the Mining Legislation.
- (b) If the Mine Project Company indicates its intention to exploit such other mineral substance within the Exploitation Area, this exploitation shall require the application and approval of a new mining title as well as the conclusion of a new mining convention, in accordance with the provisions of the Legislation. The State shall reasonably consider such application in accordance with the provisions of such mining Legislation. Determination of the manner and participants in any exploitation of the mine shall be among the State's Reserved Rights and, if the Mine Project Company and the Minister are able to negotiate a mining convention on mutually satisfactory terms, the Minister shall grant such application.
- (c) If, within two (2) years following the notification to the State of a discovery of another mineral substance within the Exploitation Area (or such longer period as may be reasonably requested by the Mine Project Company provided it demonstrates it is diligently pursuing the prerequisites to mining such other mineral substance), the Mine Project Company fails to appropriately apply for a exploitation permit in accordance with the Mining Code to exploit this other mineral substance, or remains silent, the State may freely grant exploration rights (and subject to confirming the commercially extractable mineral, an exploitation permit) to one or more Third Parties under conditions which would not materially interfere with the performance of the Project; provided that the granting of an exploitation permit shall not release the recipient of such rights of any obligation to the Project Companies and where the Mine Project Company has complied with this Article and has made an application for an exploitation permit pursuant to the Mining Legislation.
- (d) For the avoidance of doubt, it is expressly agreed that the exploration and exploitation of any natural resources, including any mineral substances (including iron ore), outside the Exploitation Area, would fall outside the scope of this Convention.

9 CONDUCT OF THE MINING OPERATIONS

9.1 Rights to carry out the Mining Operations

- (a) As of the later of the date when the Exploitation Permit is transferred to the Mine Project Company in accordance with Article 8.1(a)(i) and the date when the Mine Project Company becomes a Party to this Convention in accordance with Article 6.4, the Mine Project Company shall have the right to carry out the Mining Operations under this Convention and the Exploitation Permit.
- (b) Cam Iron undertakes and stands surety for the Mine Commissioning

under the conditions of this Convention. Cam Iron, the Mine Project Company and the State undertake to comply with their respective obligations to cooperate to ensure Mine Commissioning.

- (c) Following Project Commissioning, production of Product will be ramped up during for a period of three (3) Calendar Years from the Date of Project Commissioning, and Cam Iron undertakes to ensure the Minimum Annual Ore Production will be reached in the third (3rd) full Calendar Year post Project Commissioning.

9.2 General Obligations of Mine Project Company in the Conduct of the Mining Operations

9.2.1 Until the exhaustion of the High Grade Ore from the Exploitation Area and except as consented to by the State, during any period in which High Grade Ore from the Exploitation Area is being mined, the Mine Project Company must maintain the Minimum Annual Ore Production measured on a rolling average over a thirty-six (36) month period as adjusted on a pro rata basis for periods in which no High Grade Ore is being mined from Exploitation Area or the area covered by the Nabeba Permit.

9.2.2 The Mine Project Company shall undertake to carry out the Mining Operations diligently and in compliance with the Operating Standards, the Legislation, and, to the extent applicable, any specific standard contained in the applicable Project Agreements. This obligation shall include the requirement to:

- (a) follow Good International Industry Practices in order to effectively manage the mineral resource;
- (b) ensure that all materials, supplies, facilities and equipment that the Mine Project Company or its Contractors and Subcontractors use within the framework of the Mining Operations are compliant with the Operating Standards, and remain in a good state of use;
- (c) use the resources available in the Exploitation Area such as water, sand, gravel and wood, in the most rational manner possible, for the exclusive purposes of the Mining Operations;
- (d) place the scrap and waste in recipients built for that purpose, and dispose of such scrap and waste in accordance with the Operating Standards and Legislation;
- (e) take all usual measures taken in accordance with Good International Industry Practice in order to avoid damages to areas outside Mining Operations and prevent emissions in excess of approved levels and, in each case, mitigate any damages and emissions through customary means, including payment of damages;
- (f) supervise in a competent manner and continuously develop the employees of the Mine Project Company during Mining Operations. To this end, the Mine Project Company shall develop training programmes to ensure the employees are skilled to perform the task they are employed for;

- (g) ensure that its Contractors and Subcontractors comply, in their respective fields:
 - (i) with the standards and practices required by the Project Agreements, including Good International Industry Practice;
 - (ii) with the Legislation;
 - (iii) with the Environmental and Social Assessment and Management Plan; and
 - (iv) with the applicable Project Companies' quality, safety and health policies; and
- (h) pay all Taxes, duties, fees and other miscellaneous payments provided for under this Convention and the Legislation.

9.3 Annual Works Programs and Corresponding Budgets.

On or before 30th September of each Calendar Year following the Calendar Year in which Project Commissioning occurred, the Mine Project Company shall submit, for review and comment, to the State, the production program of Mbalam Ore and the corresponding budget set for the following Calendar Year, which shall notably demonstrate Cam Iron's ability to fulfil its obligations under Article 9.1(c).

9.4 Legal Regime Applicable to the Assets of the Mine Project Company.

- (a) The State acknowledges that the Mining Operations shall not be drawn up as a BOOT model, however, the State may elect to purchase all or some of the Assets of the Mine Project Company which are necessary, used or desirable in connection with the Mining Operations upon the expiry, withdrawal or termination of the Exploitation Permit in exchange for cash consideration equal to the fair market value of such Assets. The State shall promptly pay the consideration required by this Article 9.4(a), and the Assets selected by the State shall upon payment transfer to the State. The Mine Project Company shall not pay any Taxes triggered by the transfer of such Assets to the State.
- (b) Any Assets transferred to the State in accordance with Article 9.4(a) shall be transferred free and clear of all security interests, liens and encumbrances (including in favour of the Lenders) and the Mine Project Company shall cause all such security interests, liens and encumbrances to be removed prior to transfer.
- (c) The Mine Project Company shall keep an up-to-date inventory of its Assets at its expense under the conditions set forth in this Convention.
- (d) The Mine Project Company shall not, without the State's prior consent, not to be unreasonably withheld:
 - (i) transfer, with or without consideration, all or part of the Assets of the Mine Project Company, save in the case of any Assets that may be replaced or become surplus in the ordinary course of business; or
 - (ii) create a security right or grant any other right whatsoever over said

Assets, except for the purposes of financing (but not refinancing in a manner that grants a security interest in the Assets of the Project Companies within the last five (5) years of the Mineral Terminal Agreement and Railway Agreement) the Project and in favour of the Lenders of such financing.

- (e) The State must not unreasonably withhold its consent to any transfer referred to in Article 9.4(d)(i), where the transferee agrees to be bound by the obligations to the State under this Convention with respect to the Assets of the Mine Project Company.

10 BENEFICIATION OPERATIONS

The Parties acknowledge that the Beneficiation of the Low Grade Ore and the construction of the Beneficiation Facility and Beneficiation Power Station constitute a decisive part of the Project and the State is granting the Exploitation Permit, the Railway Concession and the Mineral Terminal Concession based on the long-term nature of the Project, of which Beneficiation is an essential component.

10.1 Beneficiation Operations and Beneficiation Feasibility Study

- (a) The Parties agree that the grant and, if requested, the renewal of the Exploitation Permit by the State in favour of the Mine Project Company must allow the Mine Project Company to produce commercially exploitable Mbalam Ore. As a consequence, the Parties confirm their agreement in conducting Beneficiation Operations to enable Beneficiation of the Low Grade Ore in order to produce Beneficiated Ore.
- (b) Subject to the occurrence of the events referred to in Articles 6.4 and 8.1(a)(i), the Operating Standards and the provisions of this Convention, the Mine Project Company shall have the right to carry out the Beneficiation Operations under this Convention, any applicable Project Agreement and the Exploitation Permit.
- (c) Prior to the Date of First Commercial Shipping, Cam Iron must have completed and provided to the State a pre-feasibility study regarding the Beneficiation Power Station. The foregoing pre-feasibility study shall be prepared by Cam Iron or the Mine Project Company, but shall be reviewed by an Independent Engineer selected by the State.
- (d) Thirty-six (36) months from the Date of First Commercial Shipping, (and on every second (2nd) anniversary thereafter until the ending point specified in the Beneficiation Agreement, if a Positive Beneficiation Determination has not occurred), Cam Iron must have completed and provided the State with a Beneficiation Feasibility Study and a feasibility study relating to the design and construction of the Beneficiation Power Station containing the items customarily considered for a study of this type ("**Beneficiation Power Station Feasibility Study**"). The Beneficiation Feasibility Study and the Beneficiation Power Station Feasibility Study shall be prepared on behalf of Cam Iron or the Mine Project Company, but be reviewed by an Independent Engineer selected by the State. The State shall have the right to use and share with Third Parties the Beneficiation Power Station Feasibility Study for the purpose of constructing the Beneficiation Power Station. The Project Companies

shall keep the State informed of their timetable for preparing the Beneficiation Feasibility Study and Beneficiation Power Station Feasibility Study so that the State may arrange for the prompt review by its Independent Engineer.

(e) The Independent Engineer shall be engaged by the State, at the sole expense of the State but the Mine Project Company will set aside (for multiple studies if needed) five hundred thousand (500,000) US Dollars to fund such expense from dividends due to the State from the Mine Project Company to review the Beneficiation Feasibility Study or updated pre-feasibility study or review the draft Beneficiation Power Station Feasibility Study or pre-feasibility study. The Project Companies and their Subsidiaries shall and shall cause any person or entity preparing the Beneficiation Feasibility Study and Beneficiation Power Station Feasibility Study to cooperate with the Independent Engineer as it conducts its business and provide them with any materials they request.

(f) It is acknowledged that Cam Iron will, in its work, be utilising information provided by itself or the Project Companies; and in particular, detail categories of information substantially similar to those of the Feasibility Study, including:

(A) the mineral resources and mineral reserves of Low Grade Ore present within the Exploitation Area for Mbalam Ore and the exploitation area covered by the Nabeba Permit with respect to the Nabeba Ore; provided, that the resources and reserves of the area covered by the Nabeba Permit are for planning purposes only and shall not be included in the calculation of IRR;

(B) the mineral resource and mineral reserves estimate of High Grade Ore present within the Exploitation Area for Mbalam Ore and the surface area of the Nabeba Permit with respect to the Nabeba Ore;

(C) the extent to which the Mine Project Company shall continue to mine any High Grade Ore at expiration of the BF Commissioning Deadline, subject to having reached and maintained the Initial Beneficiation Production Capacity, insofar as the volumes of Low Grade Ore present within the Exploitation Area so allow;

(D) the conditions under which Congo Iron shall continue to mine any High Grade Ore at expiration of the BF Commissioning Deadline where at anytime thereafter the Mine Project Company is not mining sufficient High Grade Ore from the Exploitation Permit to satisfy the Minimum Annual Ore Production. The Beneficiation Feasibility Study is to describe the ongoing transport and blending of the High Grade Ore from the Nabeba Project by Railway Project Company and Mineral Terminal Project Company, as the case may be, with whatever High Grade Ore is available from the Exploitation Permit and how this will co-exist with the Mine Project Company having a Beneficiation Facility which is conducting Beneficiation Operations with respect to

the Low Grade Ore present within the Exploitation Area and which is to be processed through the Beneficiation Facility with either the Initial Beneficiation Production Capacity or the Interim Beneficiation Production Capacity, as the case may be;

- (E) the manner in which the Mine Project Company proposes to continue to mine High Grade Ore and, at the same time, undertake Beneficiation Operations in order to reach a beneficiation production capacity that is higher than the Initial Beneficiation Production Capacity, or Interim Beneficiation Production Capacity, as the case may be, including details of the Beneficiation Capacity Expansion Works and when they will be undertaken;
- (F) the site plan of the Beneficiation Facility within the Exploitation Area;
- (G) the Beneficiation Specifications;
- (H) an analysis of all of the BF Construction Conditions and the reasonable conclusions taken in good faith by Cam Iron regarding the conditions governing their satisfaction;
- (I) a provisional timetable for building the Beneficiation Facility which shall take into account the deadlines referred to in this Article 10;
- (J) a study of the environmental and social effects of the Beneficiation Facility including emissions, disposal of dirt and waste, water treatment and mitigation and the resulting management plan;
- (K) a study specifying the needs of the Beneficiation Facility in terms of gas, water and electricity, and the manner in which Mine Project Company proposes to meet said needs;
- (L) the full economic analysis of the Beneficiation Operations and a calculation of the Internal Rate of Return; and
- (M) any other topic customarily addressed by such studies or that is appropriate in the particular context of these studies,

("Beneficiation Feasibility Study").

- (g) During the period prior to the delivery to the State of the Beneficiation Power Station Feasibility Study, the Mine Project Company shall:
 - (i) conduct (or procure the conduct of) technical and economic studies relating to the building of or contracting a Third Party to build the Beneficiation Power Station or provide the required power on a regular basis and in accordance with any related provisions established in the Beneficiation Agreement; and
 - (ii) inform the State of the findings of such studies.

- (h) During the preparation of the Beneficiation Feasibility Study and Beneficiation Power Station Feasibility Study, the Mine Project Company shall consult with the State in order to determine whether the State wishes to ensure that there is sufficient capacity within the Beneficiation Power Station to produce power in excess of the Mine Project Company's requirements for the purposes of its Beneficiation Operations and, to the extent the State wishes there to be such additional capacity, it must provide such incentives or financial support to ensure the Mine Project Company does not incur a tariff for electricity which is greater than it would have, had the capacity of the Beneficiation Power Station been no more than was needed for the purposes of the Beneficiation Operations.
- (i) Within one hundred and eighty (180) Days following the date on which the State receives the Beneficiation Feasibility Study, the State can provide the Mine Project Company with any comment or objection to the Beneficiation Feasibility Study. The Mine Project Company shall, to the greatest extent possible, take into account the comments or objections provided by the State in order to achieve a consensual Beneficiation Feasibility Study no later than ninety (90) Days following the date on which the Mine Project Company receives comments from the State on the Beneficiation Feasibility Study. If the Parties are unable to achieve a consensus on the Beneficiation Feasibility Study, (then either Party may refer the disagreement to the Expert Procedure for resolution as a Technical Dispute; provided that a dispute regarding whether the IRR threshold component in the BF Construction Conditions has been met shall be subject to resolution as an ordinary Dispute rather than a Technical Dispute.
- (j) Where a Beneficiation Feasibility Study demonstrates that the conditions in the BF Construction Conditions are not met then the State cannot require the Mine Project Company to conduct the Beneficiation Operations.
- (k) If by operation of Article 10.1(j) above and notwithstanding anything else in this Article 10, if the Mine Project Company is not obliged to conduct the Beneficiation Operations, then the Mine Project Company may nevertheless commit in writing to conduct the Beneficiation Operations, subject to the terms of the Project Agreements (a "**Beneficiation Election**").
- (l) A "**Positive Beneficiation Determination**" means if: (i) a Beneficiation Feasibility Study demonstrates that the BF Construction Conditions have been met; or (ii) a Beneficiation Election has been made.
- (m) Upon the occurrence of a Positive Beneficiation Determination, the State and Cam Iron or the Mine Project Company shall agree on a set of milestones for the construction and commissioning of the Beneficiation Facility.

10.2 **Obligation to Conduct Beneficiation Operations**

- (a) The Mine Project Company undertakes to construct and commission the Beneficiation Facility and conduct the Beneficiation Operations in accordance with the Beneficiation Specifications and, generally, in

accordance with and subject to this Article 10 and the Beneficiation Agreement.

- (b) For the avoidance of doubt, the Beneficiation Facility shall be built specifically to allow Beneficiation of the Low Grade Ore in accordance with the provisions of this Convention and the Beneficiation Agreement.
- (c) At any time during the Term of the Project, in the event of there being a processing unit within the territory of the State capable of processing the Beneficiated Ore produced by the Mine Project Company, the Mine Project Company must sell at least fifteen percent (15%) in the aggregate of the total production of Beneficiated Ore to local processing facilities or steel mills (whether owned by the State or a Third Party located within the State) under financial terms and conditions that are consistent with international benchmark pricing and trading terms. If no Beneficiated Ore is able to be sold locally and in any case, for all Beneficiated Ore which is not sold locally, it is to be exported "as is".
- (d) If any Beneficiated Ore is processed into pellets by the Mine Project Company and there is a pelletisation facility that is a Cameroonian company that could process a portion of the Beneficiated Ore, then at least fifteen percent (15%) of the Beneficiated Ore will be processed by the Cameroonian company on reasonable terms and competitive prices.

10.3 Power Supply

- (a) The Parties acknowledge that:
 - (i) a key factor in being able to establish Beneficiation Operations is the establishment or obtaining of a power supply which is of sufficient capacity as to support those Beneficiation Operations;
 - (ii) in order to provide the power referred to in Article 10.3(a)(i), following a Positive Beneficiation Determination, the State may, within a period established in the Beneficiation Agreement, elect, in its discretion, to construct, own and operate, or procure the construction and operation of the Beneficiation Power Station. In the event the State does not elect to do so, the Mine Project Company shall designate one or more Third Parties approved by the State (such approval shall not be unreasonably withheld) to build, own and/or operate the Beneficiation Power Station. The provisions set forth herein regarding the obligations of the Mine Project Company in respect of causing the construction and operation of the Beneficiation Power Station shall be set forth in the Beneficiation Agreement and shall apply to the State in the event it elects to construct, own and operate, or procure the construction and operation of the Beneficiation Power Station;
 - (iii) the Mine Project Company will enter into a power purchase agreement on commercially reasonable and customary terms to purchase the power required by the Mine Project Company based on the Initial Beneficiation Production Capacity, the Interim Beneficiation Production Capacity or the Targeted Annual Production Capacity, as applicable, and the State anticipates entering into a power purchase agreement on commercially reasonable and

customary terms to purchase the excess power that the Mine Project Company is not reasonably expected to progressively consume. The terms of the power purchase agreements, will be described in greater detail in the Beneficiation Agreement; and

(iv) the Beneficiation Power Station must be capable of providing a power supply of the quantity and quality that is at least sufficient enough to carry out the Beneficiation Operations.

(b) While the Parties anticipate that the Mine Project Company shall cause to be built the Beneficiation Power Station, the Beneficiation Agreement will contain provisions allowing the State to elect to supply power to the Beneficiation Facility in its sole discretion.

(c) The Beneficiation Agreement shall describe a process by which the Parties will consider different alternatives and cooperate to identify and pursue a plan for building and operating the Beneficiation Facility and Beneficiation Power Station.

10.4 **Obligations of the Builder, Owner and Operator with Respect to the Power Supply**

If the State does not elect to build the Beneficiation Power Station, the Mine Project Company shall obtain or cause the Third Party designated to construct the Beneficiation Power Station to obtain whatever authorisations, approvals, consents and licences that are necessary for such Third Party to build and operate the Beneficiation Power Station.

10.5 **Procurement Model for the Power Supply**

The Beneficiation Agreement will, in accordance with Article 10.3, address (a) the procurement framework for the output of the Beneficiation Power Station and consider components of the tariff based on a reasonable return of and return on equity and other factors and (b) the term of the concession which will be tied to the duration of the Exploitation Permit. The Beneficiation Agreement, on mutually agreeable terms, shall also provide the State with an option to build or cause to build the Beneficiation Power Station and to participate in the equity funding of the Beneficiation Power Station. Power sold to purchasers other than the Mine Project Company will not be included in the return to the equity holders of the owner and operator of the Beneficiation Power Station.

10.6 **Calculation of Internal Rate of Return**

The Beneficiation Agreement shall address the details regarding the determination of whether the BF Construction Conditions have been met including specifying the formulae and methodology for calculating the Internal Rate of Return. The Parties acknowledge that in determining whether the BF Construction Conditions have been satisfied, the calculation of the Internal Rate of Return shall:

(a) be based on an assumption that the Beneficiation Facility has achieved the Targeted Annual Production Capacity for each year of Beneficiation Operations, notwithstanding the fact that the Beneficiation Facility may only be constructed to achieve the Initial Beneficiation Production Capacity or the Interim Beneficiation Production Capacity, or may otherwise achieve less than the Targeting Annual Production Capacity as

a result of the flexibility being afforded to the Mine Project Company in achieving the Targeted Annual Production Capacity; and

- (b) include the estimated investment and exploitation costs known as at the BF Construction Deadline (including reasonable contingency, escalation and inflation allowances and the estimated charge for power supply referred to in Article 10.5 and the forecast iron ore prices for the relevant iron ore products based on a mutually agreeable forecast such as the CRU forecast for relevant iron ore price for the years of the Beneficiation Operations, including the long term average where applicable, as of that date being such that they would enable the marketing of the Beneficiated Ore at an internationally competitive price. The Mine Project Company is to achieve an Internal Rate of Return for the Beneficiation Operations of not less than a rate equal to the Reference Rate plus five hundred (500) basis points.

10.7 Construction and Commissioning of the Beneficiation Facility

- (a) Subject to the provisions of this Article 10 and Article 55, Cam Iron guarantees and stands surety for the Mine Project Company to complete the construction of the Beneficiation Facility and cause to be completed the construction of the Beneficiation Power Station by the date ("**BF Construction Deadline**") that is the latter of one hundred and twenty (120) months following the Date of First Commercial Shipping as the same may be adjusted pursuant to this Convention and the Beneficiation Agreement. The Parties anticipate that the Beneficiation Agreement will address changes to the construction timeline based on the Positive Beneficiation Determination being made after the time period necessary to develop the Beneficiation Power Station and Beneficiation Facility by the anticipated deadlines.
- (b) Notwithstanding the BF Construction Deadline, the Mine Project Company must notify the State of the actual date of commencement of construction of the Beneficiation Facility and Beneficiation Power Station within seven (7) Days of that date.
- (c) Once construction of the Beneficiation Facility and Beneficiation Power Station has commenced it must not be terminated nor must it be suspended for a period of sixty (60) Days or more for any reason other than the occurrence of a Force Majeure Event, Legitimate Cause, Economic Hardship or as part of the construction plan, where such suspension does not impact the completion of construction by the BF Construction Deadline.
- (d) Where a Force Majeure Event, Legitimate Cause or Economic Hardship as referred to in Article 10.7(c) occurs, the Mine Project Company must promptly notify the State and must make all reasonable efforts (*obligation de moyens*) to overcome the event. Once overcome, the Mine Project Company must immediately notify the State and the period during which that event occurs shall be added onto the BF Commissioning Deadline.
- (e) The normal or early expiration of the BF Construction Deadline will be made official by the issuance of a Finding of Compliance. In the event that the State makes any observations, such observations will specify the

reservations that must be addressed prior to the BF Commissioning. The Mine Project Company will have a period of one hundred and eighty (180) Days (or such longer period where the Mine Project Company demonstrates in good faith that the observations cannot be accommodated within the one hundred and eighty (180) Day period) to complete the works aimed at addressing the reservations of the State and the BF Commissioning Deadline will be extended correspondingly, without imposing any penalties on the Mine Project Company. In the event that one or the other of the Parties refuses to sign the Finding of Compliance free of any reservations, the most aggrieved Party shall initiate an Expert Procedure.

- (f) Subject to the terms of this Article 10 and Article 55, the Mine Project Company undertakes to carry out the commissioning of the Beneficiation Facility on the basis of at least the Initial Beneficiation Production Capacity (and the Interim Beneficiation Production Capacity or Targeted Annual Production Capacity, to the extent the Beneficiation Facility is first built to such capacity, as the case may be) (the "**BF Commissioning**") within a time frame not to exceed three hundred and sixty five (365) Days after the BF Construction Deadline is reached (the "**BF Commissioning Deadline**").
- (g) Notwithstanding the applicable BF Commissioning Deadline, the Mine Project Company must notify the State of the actual date of commissioning of the Beneficiation Facility within seven (7) Days of that date.

10.8 **Financing of Beneficiation**

Each of the Project Companies and the State, as a future shareholder, shall use its reasonable endeavours to facilitate the conclusion of the financing for the Beneficiation Facility based on project financing and minimize the amount of equity financing required. The State must approve any such financing documents to which it is a party. The Mine Project Company shall maintain reserves funded by undistributed profits as contemplated by Article 10.9.1 necessary to fund the equity component, if anticipated by the Parties, of the financing of the Beneficiation Facility and not require any contribution of equity from their Shareholders without the prior written consent of the State which consent shall not be unreasonably withheld. The other Project Companies shall similarly maintain reserves solely for the purpose of funding modifications if required, to accommodate the transport or handling of any such Beneficiated Ore with respect to their specific Project Operations but nothing in this Article shall require a Project Company which is established to build and operate the Beneficiation Power Station to create such a reserve.

10.9 **Beneficiation Incentives and Escrow.**

10.9.1 Beneficiation Escrow Account.

- (a) The Mine Project Company, Cam Iron and the State will enter into an escrow agreement (the "**Beneficiation Escrow Agreement**"), pursuant to which an escrow account shall be established ("**Beneficiation Escrow Account**") with an independent escrow agent in a neutral country. The Mine Project Company shall contribute to the Beneficiation Escrow Account, from profits from the sale of the High Grade Ore mined from

the Exploitation Area which would otherwise be available for distribution, an amount equal to twenty-five percent (25%) of the total funds required to finance the Beneficiation Facility, funded annually from twenty-five percent (25%) of otherwise distributable cash until such amount is reached; provided, that at the time of a Positive Beneficiation Determination, the frequency and amounts of such funding may be increased on a mutually agreeable schedule reasonably designed and adjusted to enable the Mine Project Company to achieve the target of twenty-five percent (25%) of the total funds required to finance the Beneficiation Facility prior to the anticipated deployment of such funds. The funds in the Beneficiation Escrow Account shall be used pursuant to the following terms which will be detailed in the Beneficiation Agreement and the Beneficiation Escrow Agreement:

- (i) if there is a Positive Beneficiation Determination, the funds in the Beneficiation Escrow Account shall be available for providing the equity portion of the financing needed for the Beneficiation Facility, and any amounts not necessary for the equity funding requirements shall be distributed to the shareholders of the Mine Project Company on a pro rata basis; and
- (ii) if there is a Positive Beneficiation Determination and the Mine Project Company does not comply with its obligations under this Convention and the Beneficiation Agreement regarding construction and commissioning of the Beneficiation Facility, such funds shall be available to the Mine Project Company for the purpose of financing the construction of the Beneficiation Facility using any structure chosen by the State. The Beneficiation Escrow Agreement shall provide that such funds shall remain in escrow, for a period not to exceed ten (10) years from the date it is determined in good faith that the Mine Project Company will not be complying with its obligation to construct the Beneficiation Facility, to be available to the State for deployment for the purpose of financing the Beneficiation Facility, provided, that such funds shall only be available to the Mine Project Company to finance the Beneficiation Facility and to the extent not all funds are necessary for such financing, such excess amounts shall be distributed to the Shareholders of the Mine Project Company on a pro rata basis, being the shareholders immediately prior to the determination that the Mine Project Company will not cause the construction of the Beneficiation Facility to be built. If the State, through the Mine Project Company, has not arranged for the utilization of such funds, for the purposes referred to in this Article, by the tenth (10th) anniversary, then such funds shall be distributed to the Shareholders of the Mine Project Company on a pro rata basis based on the ownership interests of such Shareholders on the date that it is determined that the Mine Project Company will not be complying with its obligation to construct the Beneficiation Facility.

10.9.2 Impact on Term of the Railway Agreement and Mineral Terminal Agreement.

The Railway Agreement and Mineral Terminal Agreement shall provide that:

- (a) if the Mine Project Company complies with its material obligations regarding the construction of the Beneficiation Facility and Beneficiation

Power Station to be constructed if required, the term of the Railway Concession set forth in the Railway Agreement and Mineral Terminal Concession set forth in the Mineral Terminal Agreement shall, upon BF Commissioning, be extended from twenty five (25) years to thirty (30) years; provided that the base tariff chargeable to Third Party users will be allocated one hundred percent (100%) to the State beginning at the start of year twenty nine (29);

(b) if there has been a Positive Beneficiation Determination and the Mine Project Company does not comply with its material obligations regarding the construction of the Beneficiation Facility and Beneficiation Power Station:

(i) the State shall have the option to hire new employees or contractors to operate the Railway; and

(c) if there has been a Positive Beneficiation Determination and the Mine Project Company does not comply with its material obligations regarding the construction of the Beneficiation Facility and Beneficiation Power Station but the State does not cause, through the Mine Project Company, to use the funds in the Beneficiation Escrow Account to finance the equity portion of the construction of the Beneficiation Facility, the terms of the Railway Concession set forth in the Railway Agreement and Mineral Terminal Concession set forth in the Mineral Terminal Agreement shall, at the State's election in its sole discretion, be shortened to terminate on the tenth (10th) anniversary of the date of the release of the funds from the Beneficiation Escrow Account.

10.9.3 Impact on Equity of Project Companies.

The Shareholders' Agreements shall provide that, if there has been a Positive Beneficiation Determination and the Mine Project Company does not comply with its material obligations regarding the construction of the Beneficiation Facility and Beneficiation Power Station, then on the tenth (10th) anniversary of Project Commissioning, fifty-one percent (51%) of the total equity in each Project Company shall automatically transfer to the State from Cam Iron.

10.10 **Beneficiation Construction and Commissioning**

(a) If a Positive Beneficiation Determination has occurred, Cam Iron and the Mine Project Company shall obtain all statutory and regulatory approvals, leases, licences, permits, consents and authorisations required to be obtained to finance, construct, commission and properly operate the Beneficiation Facility and all other infrastructure and facilities necessary to enable proper operation of the Beneficiation Facility. The State shall not unreasonably withhold approval to any related permits and authorizations requested by Cam Iron or the Mine Project Company and such Project Company shall provide notice to the State Project Committee of such withholding.

(b) If a Positive Beneficiation Determination has occurred, the Mine Project Company shall commence construction of the Beneficiation Facility no later than eighty four (84) months of the Date of First Commercial Shipping as the same may be adjusted pursuant to this Convention and the Beneficiation Agreement ("**BF Construction Commencement**

Date") and cause the Third Party it procured to build the Beneficiation Power Station to commence construction of the Beneficiation Power Station no later than a date agreed to in the Beneficiation Agreement ("**BF Power Station Construction Commencement Date**").

- (c) The Beneficiation Agreement shall address among other topics, the identification and method of obtaining the permits necessary for the Beneficiation Operations, remediation, environmental compliance, bank guarantees and construction timelines.

10.11 **Waiver of Conditions**

- (a) The BF Construction Conditions are for the sole benefit of the Mine Project Company.
- (b) Without prejudice to its obligations under the terms of Article 10.12, a BF Construction Condition is waived if, and only if, the Mine Project Company gives a written notice of waiver of that condition to the State.

10.12 **Obligation to Satisfy Beneficiation Conditions**

- (a) Each Party, including the Mine Project Company, must use their reasonable endeavours to do those things that are required of them or within their control and cooperate with each other to ensure that (i) the BF Construction Conditions and the commissioning of the Beneficiation Facility are satisfied on or before the BF Construction Commencement Date or the BF Commissioning Deadline (as applicable), or as soon as practicable thereafter and (ii) the commencement of the Beneficiation Power Station and the commissioning of the Beneficiation Power Station are satisfied on or before the BF Power Station Construction Commencement Date or the BF Commissioning Deadline (as applicable), or as soon as practicable thereafter.
- (b) If a Party, including the Mine Project Company, becomes aware that a BF Construction Condition or commissioning of the Beneficiation Facility will not, or is unlikely to be, satisfied by the BF Construction Deadline or the BF Commissioning Commencement Date (as applicable), then that Party must give written notice to the other Party identifying the relevant BF Construction Condition or a BF Commissioning Deadline (as applicable) that will not or is unlikely to be so satisfied.

10.13 **Production Capacity of the Beneficiation Facility**

- (a) Subject to this Article 10, and as it may be modified in the Beneficiation Agreement, the Parties agree and acknowledge, and Cam Iron undertakes to ensure that:
 - (i) the Beneficiation Facility shall initially be constructed and commissioned to achieve at least the Initial Beneficiation Production Capacity or the Interim Beneficial Production Capacity in certain circumstances (including where the amount of High Grade Ore remaining on the Exploitation Area is insufficient to enable the Mine Project Company to achieve the Minimum Annual Ore Production);
 - (ii) as from the date of BF Commissioning, and other than as is provided

for in this Convention, the Beneficiation Facility will, after ramp up, produce no less than the Minimum Annual Beneficiated Ore Production; and

(iii) as the capacity to produce High Grade Ore from the Project reduces over time the production capacity of the Beneficiation Facility will be increased in order to ensure the Beneficiation Facility, once built to a capacity of thirty-five (35) million Tonnes per annum and after ramp-up, produces Beneficiated Ore in an amount not less than the Targeted Annual Production Capacity.

(b) The Parties acknowledge that notwithstanding the Mine Project Company achieving the BF Commissioning Deadline, and after any Beneficiation Capacity Expansion Works, there will be a ramp-up period which will be set out in the Beneficiation Feasibility Study during which actual production will not be at the required levels referred to in Articles 10.13(a)(i) and (ii) and during this time, the Mine Project Company will not be in breach of this Convention or another Project Agreement.

(c) Subject to Articles 10.14 and 55, following the completion of BF Commissioning, the Mine Project Company must carry out all Beneficiation Capacity Expansion Works necessary to maintain actual annual production capacity at a level equal to the Targeted Annual Production Capacity. The capacity of the Beneficiation Facility will need to be expanded where either:

(i) the High Grade Ore that is being blended no longer contains within the blend, the Minimum Annual Ore Production from the Exploitation Permit; and/or

(ii) the total High Grade Ore being mined from the Exploitation Permit and the Nabeba Permit together with the Minimum Annual Beneficiated Ore Production is less than the Targeted Annual Production Capacity.

(d) On each occasion that the Mine Project Company must undertake Beneficiation Capacity Expansion Works in order to maintain the Targeted Annual Production Capacity, the Mine Project Company must:

(i) notify the State of the proposed schedule for the commencement of construction and the completion of the relevant Beneficiation Capacity Expansion Works (the "**Proposed Expansion Schedule**") at least one hundred and eighty (180) Days prior to the commencement of such construction works;

(ii) obtain the State's approval, which will not be unreasonably withheld, for any changes to the Proposed Expansion Schedule;

(iii) notify the State of the actual date of commencement of construction of the relevant Beneficiation Capacity Expansion Works within seven (7) Days of that date; and

(iv) notify the State of the actual date of the completion of the Beneficiation Facility Commissioning of the relevant Beneficiation Capacity Expansion Works within seven (7) Days of that date.

The acknowledgement referred to in Article 10.13(d)(iii) applies to each time Beneficiation Capacity Expansion Works are undertaken.

10.14 Beneficiation Expansion Conditions

The Project Companies are responsible for obtaining all Governmental Approvals necessary for Beneficiation Capacity Expansion Works, and the State will not unreasonably deny a request for such Governmental Approvals.

10.15 Legal Regime applicable to the Assets comprising the Beneficiation Facility

Except as set forth in the Project Agreements, the State may elect to purchase all or some of the Assets comprising the Beneficiation Facility made available, acquired, constructed, installed and/or processed by the Mine Project Company (or on its behalf or for its benefit) upon the expiry, withdrawal or termination of the Exploitation Permit in exchange for cash consideration equal to their fair market value. The Assets purchased by the State shall, upon payment, transfer to the State without any obligation of the Mine Project Company to pay any Taxes triggered by the transfer of such Assets to the State.

10.16 Procurement

The Mine Project Company may procure, for its benefit, the conduct of all the design, construction and maintenance operations of the Beneficiation Facility by any Subsidiary, Contractor or Subcontractor.

10.17 Beneficiation of Other Low Grade Ore

The Project Companies will not beneficiate Other Ore in the Exploitation Area without the consent of the State.

10.18 Early Beneficiation

- (a) This Article 10.18 contains Cam Iron's commencement to undertake Beneficiation and the Parties agree that in the Beneficiation Agreement, they will include provisions which allow Cam Iron or the Mine Project Company to commence Beneficiation both:
 - (i) earlier than contemplated in this Convention; and
 - (ii) using a Beneficiation Facility that is sized differently to the size of what has been contemplated to date.
- (b) Notwithstanding Article 10.18(a), nothing in that Article is intended to limit or release Cam Iron and the Mine Project Company of any liability or commitment to build a Beneficiation Facility capable of achieving the Targeted Annual Production Capacity and its other obligations under Article 10.

SECTION III – CONNECTED OPERATIONS

11 MINERAL TERMINAL SPECIFICATIONS AND RAILWAY SPECIFICATIONS

11.1 Capacity.

While the Railway and Mineral Terminal will only be initially built to handle the thirty five million (35,000,000) Tonnes of Ore in a Calendar Year as described in more detail in the Railway Agreement and the Mineral Terminal Agreement, as applicable, the Railway and the Mineral Terminal will be designed in a manner based on the assumptions and principles set forth in the Railway Agreement and Mineral Terminal Agreement respectively suited to eventually handle the Design Capacity without materially adversely impacting:

- (a) Initial Capacity and Expansion Capacity for a total capacity equal to the Design Capacity; or
- (b) technical aspects of the Railway haulage services and Mineral Terminal services being provided to any party up to the Design Capacity.

11.2 Tariffs

The tariffs payable with respect to the Railway and Mineral Terminal shall be calculated substantially in accordance with the draft Tariff Frameworks for the Railway and Mineral Terminal which are attached to this Convention as Annex III (as the same may be modified after the Signature Date).

11.3 Dual Track Design

Without limiting the foregoing, following receipt of the updated Feasibility Study contemplated by Article 4.1(a), the State may, in its sole discretion, elect by the Date of Entry into Force to fund the costs required to build out the foundation for a dual track design. In such event, the State, Cam Iron, the Railway Project Company and the Mineral Terminal Project Company shall agree to modify the Specifications and time frames referred to in this Convention and the Mineral Terminal Agreement and Railway Agreement to the extent necessary to reflect any additional requirements with respect to the dual track design and will examine any additional direct costs to the Mainline Railway. The Railway Project Company and the Mineral Terminal Project Company shall be required to build the Railway and the Mineral Terminal in accordance with such Specifications, and the State shall be required to provide the requisite funding to the Railway Project Company and the Mineral Terminal Project Company, as applicable, and the allocation of the equity component of the tariffs for the Expansion Capacity shall be adjusted accordingly at such time as the second track has been constructed and is being utilized. In addition, the Parties may enter into discussions (without any obligation to reach agreement) pursuant to which Cam Iron or its Subsidiaries may agree to fund a portion of the costs in exchange for additional Expansion Capacity.

12 RAILWAY OPERATIONS AND SPUR LINES

12.1 Railway Operations

12.1.1 Rights to carry out the Railway Operations, Railway Agreement and Creation of the Railway Project Company

- (a) The Parties acknowledge that the transportation of the Mbalam Ore from the Exploitation Area, and other iron ore from either within or outside the territory of the State up to the Mineral Terminal Area constitutes a

decisive part of the Project.

- (b) The Railway Specifications, which shall be based on the National Railway Master Plan of the State, will be provided to the Railway Project Company by the State, and after the Railway Project Company's review, the State and the Railway Project Company will agree on the final Railway Specifications which shall be a part of the Railway Agreement.
- (c) As of the later of the date when the Railway Concession is granted to the Railway Project Company and the date when the Railway Project Company becomes a Party to this Convention in accordance with Article 6.4, the Railway Project Company shall have the right to carry out the Railway Operations under this Convention, the Railway Concession and the Railway Agreement.
- (d) The Railway Agreement is to be drawn up as a BOOT model and shall, along with the Railway Project Company Shareholder Agreement, provide and set the framework of the conditions for the funding and conduct by the Railway Project Company for the Railway Operations within the Railway Area. The Railway Facility is to be built within a Project Lease, in accordance with the Railway Specifications and in compliance with the provisions of the Railway Agreement, the Legislation and the Operating Standards.
- (e) Cam Iron or the Railway Project Company, as applicable, shall operate the Railway in a manner that allows the Railway to:
 - (i) handle Initial Capacity and Expansion Capacity up to the Design Capacity, subject to the terms of the Railway Agreement; and
 - (ii) incorporate technical requirements that reflect the Beneficiation Operations, Railway haulage services and Mineral Terminal services being provided to any party, up to the Design Capacity.
- (f) The Railway Agreement also provides that the Railway Project Company shall operate the Railway to provide any Expansion Capacity that may be built and provide adequate working capital to finance its operations related to Expansion Capacity (for clarification, this does not include capital expenditures to finance the construction of Expansion Capacity). For purposes of determining adequate working capital, the Railway Project Company shall be permitted to include the value of any liquid security provided by the user of Expansion Capacity.
- (g) The Railway Agreement also provides that the Railway Project Company shall:
 - (i) maintain and keep the Railway Facilities in sound working order and in accordance with this Convention and the Operating Standards; and
 - (ii) conduct all the works necessary and all the repairs of any damages that occur, in compliance with the provisions of the Railway Agreement.
- (h) The Railway Project Company shall, within three (3) months of the end of every two (2) year period commencing upon Project Commissioning,

provide to the State an independent report prepared by an independent expert approved by the State (such approval not to be unreasonably withheld) on the maintenance carried out during the past two (2) years and the maintenance required during the succeeding two (2) year period in order to ensure the Railway Project Company's obligations under Article 12.1.1(f) are being met. The Railway Agreement will contain the form of instructions to be provided to the independent expert in connection with its audit.

- (i) Subject to the provisions of the Railway Agreement, Cam Iron guarantees and stands surety for the obligations of the Railway Project Company and for the commissioning of the Mainline Railway and the Initial Spur Line by the Railway Project Company (the "**Railway Commissioning**"), under the conditions set forth in the Railway Agreement. Cam Iron, the Railway Project Company and the State undertake to comply with their respective obligations to cooperate to ensure the Railway Commissioning.
- (j) Issuance of a Finding of Compliance will constitute the Railway Commissioning. The State may raise reservations that the Railway has not been constructed in accordance with the Railway Specifications in which case, such reservations must be resolved prior to Railway Commissioning. The Railway Project Company will have a period of one hundred and eighty (180) Days (plus up to an additional ninety (90) Days to the extent that the Railway Company is diligently working to remove such reservations and demonstrates in good faith that the reservations cannot be resolved within the one hundred and eighty (180) Day period) to do the works such as to allow the removal of such reservations. In case of refusal of either of the Parties to sign the Finding of Compliance without prejudice, the most diligent Party shall refer the matter to Expert Procedure.
- (k) The term of the Railway Agreement shall be for twenty five (25) years from the Date of Entry into Force to be modified as described in Article 10.9.
- (l) Every five (5) years, during the term of the Railway Agreement, the State and the Railway Project Company are to review the terms of the Railway Concession to ensure the expectations of both Parties are being met and to otherwise take account of anticipated operating conditions for the next succeeding five (5) year period and discuss in good faith opportunities to expand the Railway to provide services for additional mines or commodity producers, the goal of which is increasing revenue for the Parties, however, such review is not to result in any adverse change to either:
 - (i) the operating conditions for the Railway Facilities; or
 - (ii) the basis on which the tariff is being charged for the Initial Capacity.

12.1.2 Description for the Initial Capacity of the Railway Area

- (a) The Railway Project Company shall be authorised to carry out the Railway Operations within the surface area contemplated by the Railway Agreement, the site plan of which, decided notably on the basis of the

findings of the Environmental and Social Assessment and Management Plan, will be attached to the Railway Agreement (the "Railway Area").

(b) For the term referred to in Article 12.1.1(k), the State and the Railway Project Company, each within the surface area of which it is in charge as defined in the Railway Agreement, undertake to take, as and when necessary, any measures and steps required, in accordance with the Legislation, international standards and best practice in the railway industry, to identify:

- (i) the geological, environmental and archaeological nature of the Railway Area; and
- (ii) the impact, on the local populations and communities, of the conduct of the Railway Operations within the Railway Area,

and undertake, at the sole expense of the Railway Project Company, to take all appropriate precautionary measures and implement mitigation and treatment measures with respect to the negative effects on the Environment, social structures or geology of the surrounding region arising from the Railway Operations or during the conduct of the Railway Operations.

(c) In the event that, despite the Parties' reasonable efforts (*obligation de moyens*) to remedy by all means the events referred to in Article 12.1.2(b) continuation of the Railway Operations requires a modification of the Railway Area, the State, Cam Iron and the applicable Project Companies undertake to take all reasonable measures necessary to modify the surface area contemplated by the Railway Agreement.

12.1.3 Purpose and intended use of the Railway

(a) The Railway shall be built to allow:

- (i) transportation of the Sale Products, Other Ores and other iron ore from within the territory of the State, the transportation of which by their nature would not have adverse effects on the collection, unloading, storage, loading and shipment of the Sale Products and Other Ores; and
- (ii) transportation of the Goods, Nabeba Goods and any other goods agreed to by the State and the Railway Project Company.

(b) It is expressly agreed that, during the Term of the Project, the Railway shall not be used for transporting passengers, or transporting equipment, materials, and other goods that are not intended for the Project or the Nabeba Project except for the limited cases provided in this Convention and the Railway Agreement.

12.2 **Railway Operations**

12.2.1 Legal Regime applicable to the Assets comprising the Railway Facilities

(a) All the Assets comprising the Railway Facilities made available, acquired, constructed, installed and/or processed by the Railway Project Company (or on its behalf), which are necessary, used or desirable in

operating the Railway Facilities and the other Assets identified by the Parties in an annex to the Railway Agreement are the property of the Railway Project Company and will be automatically and directly transferred to the State upon expiry of the Railway Agreement, with no financial contribution being due to the Railway Project Company. The Railway Project Company shall not pay any Taxes triggered by the transfer of such Assets to the State.

- (b) Any Assets transferred to the State upon expiry of the Railway Agreement shall be transferred free and clear of all security interests, liens and encumbrances (including in favour of the Lenders) and in good working condition and the Railway Project Company shall cause all such security interests, liens and encumbrances to be removed prior to transfer.
- (c) The Railway Project Company shall keep an up-to-date inventory of its Assets at its expense under the conditions set forth in the Railway Agreement.
- (d) The Assets and equipment comprising, as the case may be, any Additional Spur Line or Additional Road if applicable shall be treated in the same manner as provided for in Article 12.2.1(a).
- (e) The Railway Project Company shall not, without the State's prior consent:
 - (i) transfer, with or without consideration, all or part of the Assets comprising the Railway Facilities, Project Roads and, as the case may be, any Additional Spur Line or Additional Road, save in the case of any of the Railway Facilities and any Additional Spur Line that may be replaced in the ordinary course of business; or
 - (ii) create a security interest or grant any other right whatsoever over said Assets, except for the purposes of financing or refinancing of the Project and in favour of the Lenders of such financing, provided, that in connection with any refinancing, the Railway Project Company shall not be permitted to grant any security interest or other right on its Assets that relates to Debt which matures later than five (5) years prior to the expiration of the Railway Concession.
- (f) The State must not unreasonably withhold its consent to any transfer referred to in Article 12.2.1(e)(i), where the transferee agrees to be bound by the obligations to the State under this Convention with respect to the Railway Facilities, Project Roads, Additional Spur Line or Additional Road.

12.2.2 Railway Operatorship

- (a) Upon the expiration of the initial twenty-five (25) year term of the Railway Company's right to operate the Railway (as same may be modified pursuant to the terms of this Convention, the State may, to the extent the State and the Railway Project Company have reached agreement on the details of an agreement to operate the Railway Facilities prior to the expiry of the Railway Agreement (for which the State shall be under no obligation) or the Railway Project Company exercising its right under Article 12.2.2(c)(i), grant to the Railway Project

Company the right for a period of ten (10) years after the expiry of the Railway Agreement to operate and maintain the Railway ("**Railway Operations Agreement**") provided, however, that State shall not be required to negotiate any such new agreement with or extension to the Railway Project Company if a material default has occurred or is persisting within twenty four (24) months of the end of the term of the Railway Agreement;

(b) Subject to the terms and provisions of the Railway Operations Agreement and this Convention, if the State and the Railway Project Company enter into a Railway Operations Agreement following the expiration of the Railway Agreement, the State and the Railway Project Company agree that:

(i) for the term of the Railway Operations Agreement, the Railway Project Company shall have the exclusive possession (but not title) of all Assets of the Railway Project Company that transferred to the State following expiration of the Railway Agreement, except as may be requested by the State in the exercise of its Reserved Rights;

(ii) the Railway Project Company shall:

(A) be obliged to maintain and keep the Railway Facilities in sound working order and construct all necessary works and repair any damage that occurs from use of the Railway Facilities;

(B) be obliged to include in the tariff to be charged to a user, other than with respect to the tariff being charged to the Mine Project Company and Congo Iron for the Initial Capacity and the Reserve Expansion Capacity, if being utilized, a capital component prescribed by the State, which amount shall be solely for the benefit of the State; and for the avoidance of doubt, the tariff will substantially reflect the tariff referred to in Article 4 of the Tariff Framework, excluding the State charge component referred to in Article 4.6 of the Tariff Framework but the State charge will be imposed on any usage above the Initial Capacity and Reserve Expansion Capacity.

(C) for not the purpose of the tariff being charged to the Mine Project Company and Congo Iron for the Initial Capacity, include a base charge (as that term is understood) but shall include a return of ten percent (10%) (nominal) on the original capital cost of the Assets that create the Initial Capacity, unless there are material economic changes prior to the initial financing and in that case, the Parties will discuss an adjustment to this rate; and

(D) be entitled to include in the tariff to be charged to a user, the fixed and variable operating costs associated with the Railway Project Company providing a haulage service to the user, including the costs referred to in Article 12.2.2(b)(ii)(A) and an equitable portion of any Sustaining Capital incurred by the Railway Project Company together

with a Fixed Profit Margin for the benefit of the Railway Project Company on each of the fixed and variable costs and on the Sustaining Capital;

- (iii) the State shall determine which users, other than the Mine Project Company or Congo Iron may be given access to a haulage service and, subject to compliance with Article 18, on what basis, provided that the use and enjoyment by the Mine Project Company and Congo Iron and any then existing user of Expansion Capacity shall not be materially adversely affected;
 - (iv) the Railway Project Company shall, within three (3) months of the end of every two (2) year period from the effective date of the Railway Operations Agreement provide to the State an independent report by an independent expert approved by the State on the maintenance carried out during the past two (2) years period and the maintenance required during the succeeding two (2) year period in order to ensure the Railway Project Company's obligations under Article 12.2.2(b)(ii)(A) are being met. The Railway Agreement will contain the form of instructions to be provided to the independent expert in connection with its audit;
 - (v) the Mine Project Company or Congo Iron will be charged a tariff in the amounts prescribed by the applicable Railway Haulage Agreements being novated; provided that consumables and spare inventory that were previously purchased by the Railway Project Company and transferred to the State will contribute to the capital expense components of the tariff only to the extent the State pays any consideration for such items to the Railway Project Company;
 - (vi) the users other than the Mine Project Company, and Congo Iron shall be charged a tariff not less than the tariff charged to the Mine Project Company and Congo Iron; and
 - (vii) the quality of the haulage services being provided to the Mine Project Company, its Subsidiaries, and Congo Iron after the termination of the Railway Agreement is to be no less than that being provided prior to the termination.
- (c) At the end of the initial twenty-five (25) year term of the Railway Project Company to operate the Railway as modified by Article 10.9.2(a) (which for clarification excludes early termination of such right pursuant to the termination of the Railway Agreement before the end of said term):
- (i) if the State intends to grant a Third Party the right to operate the Railway Facilities, and the material terms of such offer are more favourable to the operator than the last terms the State offered to Railway Project Company in the discussions in connection with Article 12.2.2(a), the State must offer to the Railway Project Company the right to match the offer from that Third Party and the State shall give the Railway Project Company material terms of any such offer and the Railway Project Company shall have thirty (30) Days from its receipt of those details in which to advise the State of its position on the matter, provided, however, that the State shall not be required to award such new agreement or extension to the Railway

Project Company if a material default has occurred or is persisting within twenty-four (24) months of the end of the term of the Railway Operations Agreement or if the Beneficiation Operations have not commenced;

- (ii) the possession of the Assets described in Article 12.2.1(a) shall pass to the State with no financial contribution being due to the Railway Project Company;
 - (iii) the State shall have the right to access the employment records of the Railway Project Company's employees with a view to offering such employees ongoing employment by whomever will operate the Railway, and the Railway Project Company will reasonably cooperate to enable the State or any subsequent Railway operator to make offers to those employees it wishes to employ;
 - (iv) the State or whomever is to operate the Railway is to take a novation from Railway Project Company of all ongoing haulage service agreements which the Railway Project Company had entered into with users of the Railway, and which remain in force on the expiry of the Railway Agreement or the Railway Operations Agreement, as the case may be;
 - (v) the Railway Project Company shall, to the extent legally permissible, transfer, assign or grant a perpetual license (for no additional charge) to use the knowhow and business systems for running the Railway to the State or whoever is to run the Railway; and
 - (vi) the Railway Project Company and Cam Iron shall cooperate and take all reasonably requested actions to facilitate the transfer of the right to operate the Railway to a Third Party.
- (d) Each of the State and the Railway Project Company shall commence negotiating the terms of the Railway Operations Agreement at least one (1) year prior to the expiry of the Railway Agreement and those negotiations are to:
- (i) proceed in good faith with a view to the terms of the Railway Operations Agreement being agreed prior to the expiry of the Railway Agreement; and
 - (ii) have regard to the matters referred to in Article 12.2.2 and to otherwise be on terms which are to be generally accepted in railway operations agreements servicing the international mining industry.

12.2.3 Haulage Services

Where the State and the Railway Project Company are unable to agree on the terms of the Railway Operations Agreement prior to the expiry of the Railway Agreement or after the end of the term of the Railway Operations Agreement then:

- (a) the State shall operate or arrange for a Third Party to operate the Railway Facility on and from the expiry of the Railway Agreement or Railway Operations Agreement, as the case may be, such that the haulage service being provided to the Mine Project Company, its Subsidiaries or Congo

Iron shall be in accordance with applicable Operating Standards, on and from the expiry of the Railway Agreement or Railway Operations Agreement (as applicable) and shall be of a similar quality and regularity as that provided during the term of the Railway Agreement or Railway Operations Agreement, as the case may be;

- (b) the tariff charged by the State or the Third Party operator for the haulage service referred to in Article 12.2.3(a) shall, subject to a component of the tariff being to contribute to Sustaining Capital, be calculated on a substantially similar basis as was being charged on the expiry of the Railway Agreement or Railway Operations Agreement; and
- (c) the State or the Third Party operator will coordinate the operation of the haulage service with the then operator of the Mineral Terminal Facility such that subject to the production by Mine Project Company and Congo Iron of Mbalam Ore and Nabeba Ore, there is a continuous supply of Products to Mineral Terminal for loading onto vessels.

12.2.4 Access to the Railway

Without prejudice to Article 18 and the Reserved Rights, on the Date of Entry into Force, to the extent any authorization is required under the Legislation, the Railway Project Company is authorised to utilize the Railway Facilities, in exchange for the applicable tariff for the purposes of transportation of the Sale Products, the Goods and the Nabeba Goods, in accordance with the terms hereof and the Railway Agreement and the applicable Railway Haulage Agreements. This authorization does not obligate the Railway Project Company to provide rail or haulage services, which is addressed by separate agreement. This authorization is limited to any authorization required from the State under the Legislation and is not a contractual right to use the Railway. For avoidance of doubt, the Parties acknowledge and agree that Nabeba Ore, other than Nabeba Ore included in the Blended Ore, is not contemplated as being hauled on the Railway pursuant to the Railway Haulage Agreement or the applicable tariff other than as through the creation of Expansion Capacity including the Reserve Expansion Capacity.

12.2.5 General Warranties of the State

- (a) The State warrants to Cam Iron that:
 - (i) subject to the Railway Agreement, the Railway Project Company may procure the conduct of all the Railway Operations and Road Operations by any Contractor or Subcontractor; and
 - (ii) within the framework of the operation of the Railway Facilities and Project Roads, neither the Railway Project Company nor the Contractors or Subcontractors shall be deemed to be a public carrier or have public service obligations.
- (b) The remaining general warranties of the State and the Railway Project Company shall be detailed in the Railway Agreement.

12.2.6 Sustaining Capital

The Railway Project Company shall incur expenditure by way of Sustaining Capital in order to maintain the Railway Facilities pursuant to the Operating Standards and

such sums shall be spent by the Railway Project Company in a manner and at times appropriate for ensuring the efficient operation of the Railway Facilities.

For Sustaining Capital that is not fully recovered from the users of the haulage services in the applicable tariff calculations at the time of the transfer of Assets to the State upon the expiry of the Railway Agreement in accordance with Article 12.2.1(a) and was contributed within the last five (5) years of the Railway Agreement, to fund unexpected Sustaining Capital, if the State elects to receive the Asset for which the Sustaining Capital was expensed, the State must pay to the Railway Project Company an amount equal to the portion of such Sustaining Capital for that Asset that was not covered by insurance or reserves and has not been depreciated (including with any accelerated depreciation).

12.3 Liabilities and Indemnities - Railway

12.3.1 Where the State:

- (a) employs any employees of the Railway Project Company as contemplated in Article 12.2.2(c)(iii), then there is to be an appropriate adjustment of the employee entitlements between the State and the Railway Project Company and each will indemnify the other for the period the employee was or is employed by them for the claims and liabilities arising during such period of employment;
- (b) takes a novation of any haulage service agreement as contemplated in Article 12.2.2(c)(iv), then the Railway Project Company is liable for all claims and liabilities arising prior to the novation and the State or whoever is to run the Railway is liable for all claims and liabilities arising after the novation (except, for the avoidance of doubt, to the extent such claims and liabilities relate to the period prior to the novation) and to the extent of their respective liabilities, they will indemnify the other Party against those liabilities; and
- (c) takes a transfer, assignment or license of know how and business systems contemplated in Article 12.2.2(c)(v), each Party shall indemnify the other from any claim or liability arising during the period they held or used, or hold or use, such know how and business systems.

13 MINERAL TERMINAL OPERATIONS

13.1 Rights to carry out the Mineral Terminal Operations, Mineral Terminal Agreement and Creation of the Mineral Terminal Project Company

- (a) The Parties acknowledge that the possibility to export Sale Products by way of shipment constitutes a decisive part of the Project.
- (b) The Mineral Terminal Specifications, upon the election of the State, will be given to the Mineral Terminal Project Company by the State, and after its review, the State and the Mineral Terminal Project Company will agree on the final Mineral Terminal Specifications which will be recorded in the Mineral Terminal Agreement.
- (c) As of the later of the date when the Mineral Terminal Concession is granted to the Mineral Terminal Project Company and the date when the

Mineral Terminal Project Company becomes a Party to this Convention in accordance with Article 6.4, the Mineral Terminal Project Company shall have the right to carry out the Mineral Terminal Operations under this Convention, the Mineral Terminal Concession and the Mineral Terminal Agreement.

- (d) The Mineral Terminal Agreement is to be drawn up as a BOOT model and shall, along with the Mineral Terminal Project Company Shareholders' Agreement, provide and set the framework of the conditions for the funding and conduct, by the Mineral Terminal Project Company, of the Mineral Terminal Operations within the Mineral Terminal Area. The Mineral Terminal Facility is to be built within a Project Lease, in accordance with the Mineral Terminal Specifications in compliance with the provisions of the Mineral Terminal Agreement, the Legislation and the Operating Standards.
- (e) Cam Iron or the Mineral Terminal Company, as applicable, will operate the Mineral Terminal in a manner that allows the Mineral Terminal to:
 - (i) handle Initial Capacity and Expansion Capacity up to the Design Capacity); and
 - (ii) incorporate technical aspects of the Mineral Terminal services being provided to any party up to the Design Capacity.
- (f) The Mineral Terminal Agreement also provides that the Mineral Terminal Project Company shall operate the Mineral Terminal to provide any Expansion Capacity that may be built and provide adequate working capital to finance its operations related to Expansion Capacity (for clarification, this does not include capital expenditures to finance the construction of Expansion Capacity). For purposes of determining adequate working capital, the Mineral Terminal Project Company shall be permitted to include the value of any liquid security provided by the user of Expansion Capacity.
- (g) The Mineral Terminal Agreement also provides that the Mineral Terminal Project Company shall:
 - (i) maintain and keep the Mineral Terminal Facilities in sound working order and in accordance with this Convention and the Operating Standards; and
 - (ii) conduct all the works necessary and all the repairs of any damages that could occur in compliance with the provisions of the Mineral Terminal Agreement.
- (h) The Mineral Terminal Project Company shall, within three (3) months of the end of every two (2) years commencing upon Project Commissioning, provide to the State an independent report prepared by an independent expert approved by the State (such approval not to be unreasonably withheld) on the maintenance carried out during the past two (2) years and the maintenance required during the succeeding two (2) year period in order to ensure that the applicable Mineral Terminal Project Company's obligations under this Article 13.1(h) are being met. The Mineral Terminal Agreement will contain the form of instructions to be

provided to the independent expert in connection with its audit.

- (i) Pursuant to the terms of the Mineral Terminal Agreement, Cam Iron undertakes and stands surety for the obligations of the Mineral Terminal Project Company hereunder and under the Mineral Terminal Agreement, including commissioning of the Mineral Terminal Facilities by the Mineral Terminal Project Company (the "**Mineral Terminal Commissioning**"), under the conditions set forth in the Mineral Terminal Agreement. Cam Iron, the Mineral Terminal Project Company and the State undertake to comply with their respective obligations to cooperate to ensure the Mineral Terminal Commissioning.
- (j) Issuance of a Finding of Compliance will constitute the Mineral Terminal Commissioning. The State may raise reservations that the Mineral Terminal has not been constructed in accordance with the Mineral Terminal Specifications in which case, such reservations shall be resolved prior to the Mineral Terminal Commissioning. The Mineral Terminal Project Company will have a period of one hundred and eighty (180) Days (or up to an additional ninety (90) Days to the extent that the Mineral Terminal Project Company demonstrates in good faith that the reservations cannot be resolved within the one hundred and eighty (180) Day period and provided that it is diligently during such additional period to resolve such reservations) to do the works so as to allow the removal of such reservations. In case of refusal of either of the Parties to sign the Finding of Compliance, the most diligent Party shall refer the matter to the Expert Procedure.
- (k) The term of the Mineral Terminal Agreement shall be for twenty five (25) years from the Date of Entry into Force to be modified as described in Article 10.9.
- (l) Every five (5) years, during the term of the Mineral Terminal Agreement, the State and the Mineral Terminal Project Company are to review the terms of the Mineral Terminal Concession to ensure the expectations of both Parties are being met and to otherwise take account of anticipated operating conditions for the next succeeding five (5) year period and to discuss, in good faith, opportunities to expand the Mineral Terminal to provide services for additional mines, the goal of which is increasing revenue for the Parties, however, such review is not to result in any adverse change to either:
 - (i) the operating conditions for the Mineral Terminal Facilities; or
 - (ii) the basis on which the tariff is being charged for the Initial Capacity.

13.2 Description of the Mineral Terminal Area

- (a) The Mineral Terminal Project Company shall be authorised to carry out the Mineral Terminal Operations within the surface, subsurface and waterside areas contemplated by the Mineral Terminal Agreement, the site plan of which will be attached to the Mineral Terminal Agreement (the "**Mineral Terminal Area**").
- (b) The provisions of Articles 12.1.2(b) and 12.1.2(c) shall apply *mutatis mutandis* to the State and the Mineral Terminal Project Company for the

conduct of the Mineral Terminal Operations within the Mineral Terminal Area.

13.3 Purpose and Intended Use of the Mineral Terminal

The Mineral Terminal shall be built to allow notably:

- (a) the collection, unloading, storage, loading and shipment:
 - (i) of the Sale Products, Other Ores and other iron ore from within the territory of the State the collection, unloading, storage, loading and shipment of which by their nature would not have adverse effects on the collection, unloading, storage, loading and shipment of the Sale Products and Other Ores; and
 - (ii) of the Goods, Nabeba Goods and any other goods agreed to by the State and the Mineral Terminal Project Company; as well as
- (b) the conduct of the Blending Operations.
- (c) The initial lease for the Mineral Terminal Area may upon agreement include the land necessary to reach the Design Capacity.

13.4 Legal Regime applicable to the Assets comprising the Mineral Terminal Facilities

- (a) All the Assets comprising the Mineral Terminal Facilities made available, acquired, constructed, installed and/or processed by the Mineral Terminal Project Company (or on its behalf) which are necessary, used or desirable in operating the Mineral Terminal and the other Assets identified by the Parties in an annex to the Mineral Terminal Agreement are the property of the Mineral Terminal Project Company and will be automatically and directly transferred to the State upon expiry of the Mineral Terminal Agreement, with no financial contribution being due to the Mineral Terminal Project. The Mineral Terminal Project Company shall not pay any Taxes triggered by the transfer of such Assets to the State.
- (b) Any Assets transferred to the State upon expiry of the Mineral Terminal Agreement shall be transferred free and clear of all security interests, liens and encumbrances (including in favour of the Lenders) and in good working condition and the Mineral Terminal Project Company shall cause all such security interests, liens and encumbrances to be removed prior to transfer.
- (c) The Mineral Terminal Project Company shall keep an up-to-date inventory of its Assets at its expense under the conditions set forth in the Mineral Terminal Agreement.
- (d) Regardless of the category in which they fall, the Mineral Terminal Project Company shall not, without the State's prior consent:
 - (i) transfer, with or without consideration, all or part of the Assets comprising the Mineral Terminal Facilities, save in the case of any of the Mineral Terminal Facilities that may be replaced in the ordinary

course of business; or

- (ii) create a security interest or grant any other right whatsoever over said Assets, except for the purposes of financing or refinancing of the Project and in favour of the Lenders of such financing, provided, that in connection with any refinancing, the Mineral Terminal Project Company shall not be permitted to grant any security interest or other right on its Assets that relates to Debt which matures later than five (5) years prior to the expiration of the Mineral Terminal Concession.
- (iii) The State must not unreasonably withhold its consent to any transfer referred to in Article 13.4(d)(i) where the transferee agrees to be bound by the obligations to the State under this Convention with respect to the Mineral Terminal Facilities.

13.5 Mineral Terminal Operatorship

- (a) Upon the expiration of the initial twenty-five (25) year term of the Mineral Terminal Company's right to operate the Mineral Terminal (as same may be modified pursuant to the terms of this Convention, the State may, to the extent the State and the Mineral Terminal Project Company have reached agreement on the details of an agreement to operate the Mineral Terminal Facilities prior to the expiry of the Mineral Terminal Agreement (for which the State shall be under no obligation) or the Mineral Terminal Project Company exercising its right under Article 13.5(c)(i), grant to the Mineral Terminal Project Company the right for a period of ten (10) years after the expiry of the Mineral Terminal Agreement to operate and maintain the Mineral Terminal ("**Mineral Terminal Operations Agreement**") provided, however, that the State shall not be required to negotiate any such new agreement with the Mineral Terminal Project Company if a material default has occurred or is persisting within twenty four (24) months of the end of the term of the Mineral Terminal Agreement.
- (b) Subject to the terms and provisions of the Mineral Terminal Operations Agreement and this Convention, if the State and the Mineral Terminal Project Company enter into a Mineral Terminal Operations Agreement following the expiration of the Mineral Terminal Agreement, the State and the Mineral Terminal Project Company agree that:
 - (i) for the term of the Mineral Terminal Operations Agreement, the Mineral Terminal Project Company shall have exclusive possession (but not title) of all Assets of the Mineral Terminal Project Company that transferred to the State following expiration of the Mineral Terminal Agreement, except as may be requested by the State in the exercise of its Reserved Rights;
 - (ii) the Mineral Terminal Project Company shall:
 - (A) be obliged to maintain and keep the Mineral Terminal in sound order and conduct all necessary works and repair any damage that occurs from use of the Mineral Terminal;
 - (B) be obliged to include in the tariff to be charged to a user other than with respect to the tariff being charged to the Mine

Project Company and Congo Iron for the Initial Capacity and the Reserve Expansion Capacity, if being utilized, a capital component prescribed by the State, which amount shall be solely for the benefit of the State; and for the avoidance of doubt, the tariff will substantially reflect the tariff referred to in Article 4 of the Tariff Framework Agreement, excluding the State charge component referred to in Article 4.6 of the Tariff Framework but the State charge will be imposed on any usage above the Initial Capacity and Reserve Expansion Capacity; and

- (C) be entitled to include in the tariff to be charged to a user, the fixed and variable operating costs associated with the Mineral Terminal Project Company providing a haulage service to the user, including the costs referred to in Article 13.5(b)(ii)(A) an equitable portion of any Sustaining Capital incurred by the Mineral Terminal Project Company together with a Fixed Profit Margin on each of the fixed and variable costs and on the Sustaining Capital.
- (iii) the State shall determine which users, other than the Mine Project Company or Congo Iron may be given access to a handling and loading service and, subject to compliance with Article 18, on what basis, provided that the use and enjoyment by the Mine Project Company, Congo Iron and any then-existing user of Expansion Capacity shall not be materially adversely affected;
- (iv) the Mineral Terminal Project Company shall provide to the State within three (3) months of the end of every two (2) year period from the effective date of the Mineral Terminal Operations Agreement, an independent report by an independent expert approved by the State on the maintenance carried out during the past two (2) year period and the maintenance required during the succeeding two (2) year period in order to ensure the Mineral Terminal Project Company's obligations under Article 13.5(b)(ii)(A) are being met. The Mineral Terminal Project Agreement will contain the form of instructions to be provided to the independent expert in connection with its audit;
- (v) the Mine Project Company or Congo Iron will be charged a tariff in the amounts prescribed by the applicable Mineral Terminal Services Agreements being novated; provided that consumables and spare inventory that were previously purchased by the Mineral Terminal Project Company and transferred to the State will contribute to the capital expense components of the tariff only to the extent the State pays any consideration for such items to the Mineral Terminal Project Company;
- (vi) the users, other than Mine Project Company and Congo Iron, shall be charged a tariff not less than the tariff charged to the Mine Project Company, and Congo Iron; and
- (vii) the quality of the handling and loading services being provided to the Mine Project Company and Congo Iron after the termination of the Mineral Terminal Agreement is to be no less than that being provided prior to the termination.

(c) At the end of the initial twenty-five (25) year term of the right of the Mineral Terminal Project Company to operate the Mineral Terminal as modified by Article 10.9.2(a) (which for clarification excludes early termination of such right pursuant to the termination of the Mineral Terminal Agreement prior to the expiration of said term):

(i) if the State intends to grant a Third Party the right to operate the Mineral Terminal Facilities, and the material terms of such offer are more favourable to the operator than the last terms the State offered to Mineral Terminal Project Company in the discussions in connection with Article 13.5(a), the State must offer to the Mineral Terminal Project Company the right to match the offer from that Third Party and the State shall give the Mineral Terminal Project Company material terms of any such offer and the Mineral Terminal Project Company shall have thirty (30) Days from its receipt of those details in which to advise the State of its position on the matter; provided, however, that the State shall not be required to award such new agreement or extension to the Project Company if a material default has occurred or is persisting within twenty-four (24) months of the end of the term of the Mineral Terminal Operations Agreement or if the Beneficiation Operations have not commenced;

(ii) the possession of the Assets described in Article 13.4(a) shall pass to the State with no financial contribution being due to the Mineral Terminal Project Company;

(iii) the State shall have the right to access the employment records of the Mineral Terminal Project Company's employees with a view to offering such employees ongoing employment by whomever will operate the Mineral Terminal, and the Mineral Terminal Project Company will reasonably cooperate to enable the State or any subsequent Mineral Terminal operator to make offers to those employees it wishes to employ;

(iv) the State or whomever is to operate the Mineral Terminal is to take a novation from Mineral Terminal Project Company of all ongoing handling and loading service agreements which the Mineral Terminal Project Company had entered into with users of the Mineral Terminal, and which remain in force on the expiry of the Mineral Terminal Agreement or the Mineral Terminal Operations Agreement, as the case may be;

(v) the Mineral Terminal Project Company shall, to the extent legally permissible, transfer, assign or grant a perpetual license (for no additional charge) to use the knowhow and business systems for running the Mineral Terminal to the State or whoever is to run the Mineral Terminal; and

(vi) the Mineral Terminal Project Company and Cam Iron shall cooperate and take all reasonably requested actions to facilitate the transfer of the right to operate the Mineral Terminal to a Third Party.

(d) Each of the State and the Mineral Terminal Project Company shall commence negotiating the terms of the Mineral Terminal Operations Agreement at least one (1) year prior to the expiry of the Mineral

Terminal Agreement and those negotiations are to:

- (i) proceed in good faith with a view to the terms of the Mineral Terminal Operations Agreement being agreed prior to the expiry of the Mineral Terminal Agreement; and
- (ii) have regard to the matters referred to in Article 13.5, and to otherwise be on terms which are to be generally accepted in mineral terminal operation agreements servicing the international mining industry.

13.6 Handling Services

Where the State and the Mineral Terminal Project Company are unable to agree on the terms of the Mineral Terminal Operations Agreement prior to the expiry of the Mineral Terminal Agreement or after the end of the term of the Mineral Terminal Operations Agreement then:

- (a) the State shall operate or arrange for a Third Party to operate the Mineral Terminal Facility on and from the expiry of the Mineral Terminal Agreement or Mineral Terminal Operations Agreement as the case may be such that the handling service being provided to the Mine Project Company, its Subsidiaries or Congo Iron shall be in accordance with applicable Operating Standards on and from the expiry of the Mineral Terminal Agreement or Mineral Terminal Operations Agreement (as applicable) and shall be of a similar quality and regularity as that provided during the term of the Mineral Terminal Agreement or Mineral Terminal Operating Agreement as the case may be;
- (b) the tariff charged by the State or the Third Party operator for the handling service referred to in Article 13.6(a) shall, subject to a component of the tariff being to contribute to Sustaining Capital, be calculated on a substantially similar basis as was being charged on the expiry of the Mineral Terminal Agreement or Mineral Terminal Operations Agreement; and
- (c) the State or the Third Party operator will coordinate the operation of the haulage service with the then operator of the Railway Facility such that, subject to the production by the Mine Project Company and Congo Iron of Mbalam Ore and Nabeba Ore, there is a continuous supply of Products to the Mineral Terminal for loading onto vessels.

13.7 Access to the Mineral Terminal

Without prejudice to the provisions of Article 18 and the Reserved Rights, on the Date of Entry into Force, to the extent any authorization is required under the Legislation, the Mineral Terminal Project Company is authorised to access the Mineral Terminal Facilities in exchange for the applicable tariff in accordance with the terms hereof and the Mineral Terminal Agreement and the Mineral Terminal Services Agreement. This authorization does not obligate the Project Companies to provide handling and loading services, which is addressed by separate agreement. This authorization is limited to any authorization required from the State under the Legislation and is not a contract right to use the Mineral Terminal. For clarification, Nabeba Ore, other than Nabeba Ore included in the Blended Ore, is not contemplated as being handled and loaded through the Mineral Terminal pursuant to the Mineral

Terminal Services Agreement or the applicable tariff other than as through the creation of Expansion Capacity including the Reserve Expansion Capacity.

13.8 General Warranties of the State

- (a) The State warrants to the Mineral Terminal Project Company that:
- (i) subject to the Mineral Terminal Agreement, the Mineral Terminal Project Company may procure the conduct of all the Mineral Terminal Operations by any Contractor or Subcontractor;
 - (ii) within the framework of the operation of the Mineral Terminal Facilities, neither the Mineral Terminal Project Company nor the Contractors or Subcontractors shall be deemed to be autonomous port bodies or to have a public service port activity;
 - (iii) subject to the Mineral Terminal Agreement, this Convention, the Legislation and any applicable Operating Standards, in operating the Mineral Terminal Facilities, the Mineral Terminal Project Company shall be entitled to undertake or exercise control over all operations, including the arrival and loading of ships, departure of ships, time spent by the ships in the port, environmental and safety operations; and
 - (iv) in the conduct of the Mineral Terminal Operations, the Mineral Terminal Project Company may dredge a ship channel and ship crossing area.
- (b) The remaining general warranties of the State and the Mineral Terminal Project Company shall be detailed in the Mineral Terminal Agreement.

13.9 Liabilities and Indemnities – Mineral Terminal

Where the State:

- (a) employs any employees of the Mineral Terminal Project Company as contemplated in Article 13.5(c)(iii) then there is to be an appropriate adjustment of the employee entitlements between the State and the Mineral Terminal Project Company and each will indemnify the other for the period the employee was or is employed by them for claims or liabilities arising during such period of employment;
- (b) takes a novation of any handling and loading agreements as contemplated in Article 13.5(c)(iv), then the Mineral Terminal Project Company is liable for all claims and liabilities arising prior to the novation and the State, or whoever is to run the Mineral Terminal, is liable for all claims and liabilities arising after the novation (except, for the avoidance of doubt, to the extent such claims and liabilities relate to the period prior to the novation) and, to the extent of their respective liabilities they will indemnify the other party against those liabilities; and
- (c) takes a transfer, assignment or license of know how and business systems contemplated in Article 13.5(c)(v), each Party shall indemnify the other from any claim or liability arising during the period they held or used, or hold or use, such know how and business systems.

13.10 Sustaining Capital

- (a) The Mineral Terminal Project Company shall incur expenditure by way of Sustaining Capital in order to maintain the Mineral Terminal Facilities pursuant to the Operating Standards and such sums shall be spent by the Mineral Terminal Project Company in a manner and at the times appropriate for ensuring the efficient operation of the Mineral Terminal.
- (b) For Sustaining Capital that is not fully recovered from the users of the Mineral Terminal services in the applicable tariff calculations at the time of the transfer of assets to the State upon the expiry of the Mineral Terminal Agreement in accordance with Article 13.4(a), and was contributed within the last five (5) years of the Mineral Terminal Agreement to fund unexpected Sustaining Capital, if the State elects to receive the asset for which the Sustaining Capital was expensed, the State must pay to the Mineral Terminal Project Company an amount equal to the portion of such Sustaining Capital for such asset that was not covered by insurance or reserves and has not been depreciated (including with any accelerated depreciation).

14 PROJECT ROADS

14.1 Paving of Roads.

Within the three (3) year period following Project Commissioning, the Project Companies will: (a) provide a metallic surfacing on the Project Road Adjacent to the Railway from Lolabe to the intersection of an existing unpaved State road near Endenge; (b) provide a metallic surfacing for such existing road from where it connects to the Project Road Adjacent to the Railway to Mbelem, where such existing road intersects with the existing State road from Sangmelima to Ouesso (which is or shall be paved by the State); (c) connect with the existing road from Sangmelima to Ouesso until that road intersects with the Project Road Adjacent to the Railway; and (d) provide (A) a metallic surface for the final portion of the Project Road Adjacent to the Railway from that point where it intersects with the existing road from Sangmelima to Ouesso to Mbarga (the "Road Plan"). The "Road Agreement" shall address the details of the Road Plan and other provisions regarding the Project Roads.

14.2 Rights to carry out the Road Operations

- (a) The Parties acknowledge that the building of the Project Roads may be necessary for the purposes of the Project, and where a Project Company is to build a Project Road then it shall do so at its cost and in accordance with the Project Road Specifications.
- (b) Cam Iron shall have the right to carry out directly or through the Project Companies, the Road Operations under this Convention and Project Agreements.
- (c) As of the date when the Project Companies become a Party to this Convention in accordance with Article 6.4, the Project Companies shall have the right to carry out the Road Operations under this Convention and the Project Agreements.

14.3 Purpose and intended use of the Project Roads

- (a) The Project Roads shall be built specifically to allow for the construction and maintenance vehicles of a Project Company and its Contractors and Subcontractors to use the Project Roads during the construction of the Mainline Railway and Initial Spur Lines.
- (b) Subject to the Reserved Rights and this Article 14, nothing in this Convention shall oblige Cam Iron or the Project Companies to grant access rights to the Project Road.
- (c) It is expressly agreed that the Project Roads can be used by vehicles owned by, contracted to or licensed by a Project Company.
- (d) The Parties agree that the Project Road Adjacent to the Railway, the site plan of which, decided notably on the basis of the findings of the Environmental and Social Assessment and Management Plan, shall, until such time as the portions thereof shall become a Public Road pursuant to the Road Plan, shall be built, commissioned and maintained by the Railway Project Company under the conditions set forth in the Railway Agreement. Cam Iron, the Railway Project Company and the State undertake to comply with their respective obligations of reasonable cooperation to ensure the commissioning of such applicable portions of the Project Road Adjacent to the Railway within the aforementioned deadlines.
- (e) The issuance of a Finding of Compliance will materialize the commissioning of the portions of the Project Road Adjacent to the Railway which shall become a Public Road pursuant to the Road Plan. The State may issue reservations that the Project Road Adjacent to the Railway has not been constructed in accordance with the Project Road Specifications, in which case such reservations shall be resolved prior to the commissioning of such applicable portion of the Project Road Adjacent to the Railway. The Railway Project Company will have a period of one hundred and twenty (120) Days to do the works such as to allow for the withdrawal of reservations and the commissioning period of such applicable portions of the Project Roads Adjacent to the Railway will be extended accordingly, with no penalties to the Railway Project Company. In case of refusal of either of the Parties to sign the Finding of Compliance the most diligent Party may, without prejudice, make use of the Expert Procedure.

14.4 Use of a Project Road by the State

Through the exercise of its Reserved Rights, including in the event of an emergency or for the purposes of national security, the State may use a Project Road and where possible, the State shall provide to the Railway Project Company advance notice of its intended use. The State shall also be permitted to use the Project Roads on a regular basis, subject to reasonable limitations preventing interference with Project Operations.

14.5 Duration of Rights to Project Roads

Subject to the terms of any applicable Project Agreement and the Reserved Rights, the Project Companies shall have control of and be responsible for the Project Roads

for as long as any Project Company is a party to the Railway Agreement or retains operatorship of the Railway Facilities or the Mineral Terminal Facilities or, with respect to the applicable portions of Project Road Adjacent to Railway which shall become a Public Road pursuant to the Road Plan, until such time as the construction of the Mainline Railway is complete and such Project Road is paved and becomes a Public Road.

Except as set forth below, on expiry of the term of the Railway Agreement, the Project Roads (other than the portions of the Project Road Adjacent to Railway that may have become Public Roads in accordance with the Road Plan) and all Assets constituting automobiles, spare parts, maintenance and other support equipment owned by the Railway Project Company will transfer to the State free and clear of all security interests, liens and encumbrances and in good working condition and the Railway Project Company shall cause all such security interests, liens and encumbrances to be removed prior to transfer. The foregoing transfer of the Project Roads shall not apply to the Project Roads located within the Exploitation Area, which shall continue to be owned by the Mine Project Company upon the expiration of the Railway Agreement; provided, that to the extent that the Project Road located within the Exploitation Area that runs along the portion of the Railway located within the Exploitation Area and is not being used by the Mine Project Company in connection with its Mining Operations, such Project Road shall transfer to the State in accordance with the first sentence of this paragraph.

14.6 Access to Project Roads

- (a) Without prejudice to Articles 14.3(b) and 18, to the extent required by the Legislation, on the Date of Entry into Force, the Project Companies and their Contractors and Subcontractors are authorised to access the Project Roads for the purposes of transportation of the Sale Product, the Goods and the Nabeba Goods and to facilitate the maintenance of the Railway Facilities in accordance with the terms of this Convention and the other Project Agreements. This authorization does not obligate the Project Companies to grant access which is addressed by separate agreements and is limited to any authorization required from the State under the Legislation. This authorization is limited to any authorization required from the State under the Legislation and is not a contract right to use the Project Roads.
- (b) Subject to the Reserved Rights, the Project Companies may close or limit the use of a Project Road as they see fit for maintenance or safety purposes and the State shall use its reasonable efforts (*obligation de moyens*) to do all things reasonably and appropriately necessary to assist and enforce such actions.

14.7 Public Roads

To the extent required by the Legislation, Cam Iron, the Project Companies, Contractors and Subcontractors are authorised by the State to use all Public Roads subject to the Legislation and the State shall:

- (a) maintain the Public Roads being used for the Project to the standard appropriate to the classification of such road; and
- (b) authorise Cam Iron, the Project Companies, their Contractors and Subcontractors to carry out whatever maintenance and strengthening

work on the Public Roads that is appropriate, in consultation with the State.

15 AERODROME

The Parties acknowledge the significance of the Aerodrome to the Mining Operations. The Aerodrome is to be regulated by the Aerodrome Agreement which will address the location, object and use, authorizations, construction and operation, operation of air transport services, third party access, maintenance and other topics related to the Aerodrome and shall include, without limitation, provisions:

- (a) granting the State, through the exercise of its Reserved Rights, including in the event of an emergency or for the purposes of national security, a right to use the Aerodrome; and
- (b) requiring that the Aerodrome be operated in compliance with all Legislation applicable to privately operated aerodromes.

16 BLENDING OPERATIONS

16.1 Rights in the Blending Operations

- (a) On the basis of the findings of the Feasibility Study, as reviewed and approved by the State, the Parties agree that in order to generate a higher return from the Project due to the higher levels of silica (and other chemical characteristics) of the Mbalam Ore contained within the Exploitation Area, the optimal upgrading of said ore could be reached by, in particular, Blending said ore with Nabeba Ore, notwithstanding and without prejudice to the provisions of this Convention relating to the Beneficiation Operations.
- (b) This Convention grants to Cam Iron the right to undertake the Blending Operations for the purposes of the Project. Cam Iron will permit the Mine Project Company to contract the Mineral Terminal Project Company to carry out all the Blending Operations in compliance with the provisions of this Convention, the Mineral Terminal Services Agreement, the Monitoring Agreement - Blending and the Blending Agreement.
- (c) The Mineral Terminal Services Agreement and the Blending Agreement provide and set the framework of the conditions of conduct by the Mine Project Company of the Blending Operations within the Mineral Terminal Area.

16.2 Blending Operations rates

The Mine Project Company shall pay to the Mineral Terminal Project Company compensation for the provision of blending services for the Mbalam Ore. This compensation will be described in the Mineral Terminal Services Agreement.

16.3 Relief from the State

The State has satisfied itself that the Blending of the Mbalam Ore is appropriate and that provided the Mine Project Company provides to the State all of the information

which the State is entitled to receive under the Convention and the Monitoring Agreement – Blending, then the State will not, absent manifest need, require:

- (a) any further specific technical information prior to the actual Blending of the Mbalam Ore with the Nabeba Ore; or
- (b) the provision of any form of bank guarantee to cover the actual Blending of the Mbalam Ore with the Nabeba Ore.

17 MARKETING OPERATIONS AND TREASURY OPERATIONS

17.1 Marketing of Ore

The Parties will negotiate the Marketing Agreement and the Monitoring Agreement – Marketing, which shall, collectively, govern the marketing of Mbalam Ore and Blended Ore by the Marketing Company and which shall include provisions providing that all transactions involving Mbalam Ore and Blended Ore will be on terms and conditions that transparently pass the price paid (less a logistic and financing fee of two and a half per cent (2.5%) and an administrative fee of two and half per cent (2.5%)) for the Mbalam Ore, or the portion of Blended Ore that consists of Mbalam Ore, back to the Mine Project Company in accordance with the provisions of the Marketing Agreement and subject to the Monitoring Agreement-- Marketing.

17.2 Offtake Agreements

Cam Iron covenants with the State that the Marketing Company shall enter into offtake agreements on Arm's Length Terms and if the Marketing Company agrees to sell any Product to a party that has a direct or indirect interest in the Project then the specifications for the Product that are incorporated into the offtake agreement shall not be set so as to reduce the value of the Product that is being sold to that offtake party. The Marketing Company shall act with transparency with respect to the commercial terms relating to all offtake agreements.

17.3 Right to Perform Treasury Operations

The Parties will negotiate the Treasury Agreement and the Monitoring Agreement – Treasury, which shall, collectively, govern the Treasury Operations by the Treasury Company.

18 CAPACITY AND CAPACITY EXPANSION

18.1 Initial Capacity

The Parties acknowledge that the Railway Facilities and Mineral Terminal Facilities are designed to be capable of handling the Design Capacity on Project Commissioning and, after ramp up, will be capable of handling at least the Targeted Annual Production Capacity but, that as a result of design, construction or actual operations those facilities may be capable of initially handling more Tonnes than the Targeted Annual Production Capacity. Providing Expansion Capacity in an amount which together with the Initial Capacity achieves at least the Design Capacity constitutes a decisive part of the Project.

18.2 Access Expansion Principles

The Parties acknowledge that during the Term of the Project:

- (a) the Project Company and Congo Iron may wish to increase their usage of the Railway haulage services and Mineral Terminal services beyond the Initial Capacity;
- (b) Third Parties are to have a right to access the Railway Facilities and Mineral Terminal Facilities by way of provision by the Railway Project Company, of Railway haulage services and, by the Mineral Terminal Project Company of Mineral Terminal services; and
- (c) the Parties intend to use or offer to Third Parties services of the Railway and Mineral Terminal at least up to the Design Capacity.

all of which may be made available in accordance with the provisions of this Article 18.

18.3 Expansion Stage

- (a) During Stage 1:
 - (i) the Mineral Terminal Project Company is not obliged to provide any Mineral Terminal services to any person other than the Mine Project Company and Congo Iron; and
 - (ii) the Railway Project Company is not obliged to provide any Railway haulage services to any person other than the Mine Project Company and Congo Iron.
- (b) Subject to the terms of this Article 18, during any Expansion Stage:
 - (i) the Mineral Terminal Project Company may provide Mineral Terminal services to any person approved by the State; and
 - (ii) the Railway Project Company may provide Railway haulage services to any person approved by the State.
- (c) A Project Company, a Subsidiary, a Shareholder or Third Party may fund an Expansion Stage by any method approved by the State, including, if mutually agreeable to the Parties, by allowing such Project Company, Subsidiary, Shareholder or Third Party, as the case may be, to purchase equity in an Expansion Project Company.

18.4 Provision of Expansion Capacity

Expansion Capacity may be provided to either:

- (a) the Mine Project Company, Cam Iron or Congo Iron, where that Expansion Capacity is part of the Reserve Expansion Capacity; or
- (b) a Person other than a Project Company where the Expansion Project Companies are requested by the State to do so.

18.5 Reserve Expansion Capacity

At all times after the conclusion of Stage 1 but prior to the tenth (10th) anniversary of the end of Stage 1, no less than an aggregate of fifteen million (15,000,000) Tonnes

per annum of Expansion Capacity (as the same may be adjusted by mutual agreement pursuant to Article 11.3) is to be available on the Railway and Mineral Terminal, respectively, based on the initial design specifications for achieving the Design Capacity (which for clarification shall reflect any loss of capacity due to inefficiency created by any source), for the Mine Project Company and Cam Iron (on behalf of itself or Congo Iron) to obtain Expansion Capacity for the Mbalam Ore and Nabeba Ore, respectively, over and above the Targeted Annual Production Capacity ("**Reserve Expansion Capacity**"), and this Reserve Expansion Capacity may be sought in one or more stages. The Mine Project Company and Cam Iron (on behalf of itself or Congo Iron) will have the right to request Expansion Capacity beyond the Reserve Expansion Capacity on the same terms as other Third Parties in accordance with this Article 18. The State will not give Expansion Directives to authorize the creation of Expansion Capacity that would prevent Expansion Capacity from being available for Reserve Expansion Capacity which the Mine Project Company and Cam Iron (on behalf of itself or Congo Iron) have a right to request pursuant to this Convention. For avoidance of doubt, the rights of Mine Project Company and Cam Iron (on behalf of Congo Iron) to Reserve Expansion Capacity may not be assigned without the consent of the State, in its sole discretion.

18.6 **Submission of a Services Application**

The State has the right to determine which Third Parties may submit a Services Application, and the Mine Project Company and Cam Iron (on behalf of itself or Congo Iron) may submit a Services Application for the Reserve Expansion Capacity without prior State approval. At any time following the end of Stage 1, a Third Party with State approval and the Mine Project Company or Cam Iron (on behalf of itself or Congo Iron) may submit a Services Application. The Services Application shall be delivered to the State, the Expansion Committee and the Expansion Project Companies. Any original, amended, or cancelled Services Application received by any one of the Expansion Project Companies must be forwarded to the State "as is." The Expansion Project Companies shall provide any potential applicant with the information necessary to submit a Services Application and assist applicants in preparing a Services Application.

18.7 **Services Application Windows**

- (a) The Parties acknowledge that the Expansion Project Companies ability to offer Expansion Capacity may be subject to restrictions contained in the Finance Documents.
- (b) The Expansion Project Companies must invite (by notice published in the national newspaper in the territory of the State) the submission of Services Applications on at least one (1) occasion in each two (2) year period, the first such period is to commence within the two (2) year period following the expiration of Stage 1 and all Services Applications howsoever received shall be considered within two (2) months of the closing date of that invitation. The Expansion Project Companies may organize the time periods for submission of Services Applications into distinct windows to allow applicants to gain greater economic efficiency by creating Expansion Capacity in larger amounts rather than several smaller amounts, but shall nonetheless be required to consider all reasonable Services Applications within a reasonable amount of time from when received if not received in a specified window. The Expansion Committee shall be consulted on the timing of applications and application windows.

18.8 Content of a Services Application

A Services Application must:

- (a) be submitted in writing to the relevant Expansion Project Company(ies); and
- (b) contain the following information:
 - (i) the full name and registration details of the applicant;
 - (ii) the ownership structure of the applicant and the applicant's project;
 - (iii) a general description of the applicant's project;
 - (iv) the status of the applicant's project feasibility study;
 - (v) the status of all statutory and regulatory approvals required to be obtained in respect of the applicant's project;
 - (vi) the type of iron ore product to be produced by the applicant;
 - (vii) the applicant's current resource and reserve definition;
 - (viii) the applicant's planned production profile (being estimated tonnage of product produced per annum, including ramp-up, and the duration of the proposed use of Railway haulage or Mineral Terminal services being applied for);
 - (ix) the applicant's infrastructure requirements, including requirements for:
 - (A) the Mineral Terminal Project Company to provide Mineral Terminal services; and
 - (B) the Railway Project Company to provide Railway haulage services, to the applicant;
 - (x) a timetable for the construction, commissioning and operation of the applicant's project;
 - (xi) details of the applicant's proposed project financing;
 - (xii) reasonably requested financial information;
 - (xiii) an overview of any negative impact on environmental, geological and societal conditions and mitigation measures;
 - (xiv) such other information as the Expansion Committee, Expansion Project Companies or the State may reasonably request; and
 - (xv) details of any assistance which the State has indicated it will be providing to the applicant.

18.9 Single Services Application

In the event an applicant only requires either the Mineral Terminal services or the Railway haulage services, then its Services Application should make this clear.

18.10 Completeness Review of Services Application

- (a) All Services Applications shall be submitted to the Feasibility Expert for a determination as to whether such Services Application is complete and sufficient to proceed with a Services Feasibility Study.
- (b) If the Feasibility Expert determines that a Services Application is incomplete, it shall advise the Expansion Committee of such deficiencies and the Expansion Committee shall notify the applicant and identify to the applicant the deficiencies in the Services Application.
- (c) If an applicant receives a notice of the type referred to in Article 18.10(b), then it must amend the Services Application within thirty (30) Days of its original submission otherwise it will be deemed that the applicant wishes to cancel its Services Application. On receipt of the amended Services Application the provisions of Article 18.10(a) will apply.

18.11 Amendment or withdrawal of a Services Application

An applicant may amend or withdraw its Services Application by notice in writing to the Expansion Committee at any time.

18.12 Review of a Services Application

18.12.1 Principle

Other than for the provisions of this Convention applicable to the Project and the Nabeba Project, the possibility for anyone to use the Mineral Terminal Facilities or the Railway Facilities for the purposes of transportation, routing, storage, vessel loading, export and import of any products, is expressly and strictly subject to the explicit prior authorization of the State.

18.12.2 Terms and Conditions applicable to the Review of the Services Application

- (a) On receipt of the Services Application which substantially conforms to the requirements of Article 18.8, the Expansion Committee shall conduct the review process with respect to the Services Application.
- (b) If the Services Application is substantially nonconforming then the Expansion Committee shall provide a written response to the applicant explaining the areas of non-conformance with a copy to be provided to the State.
- (c) The Expansion Committee shall consider the Services Application and:
 - (i) by unanimous instruction of the Cam Iron Representative and the State Representative a Services Application may be rejected; and
 - (ii) by the instruction of the State Representative, the Expansion

Committee may direct that a Services Feasibility Study be prepared in accordance with the provisions of this Article 18 based on the Services Application as well as provide any additional information required by the State at that time, as the case may be.

18.13 Conduct of a Services Feasibility Study

18.13.1 Identification of a Feasibility Expert.

- (a) The State and Cam Iron shall attempt to agree prior to the end of Stage 1 on a mutually acceptable independent expert (which may be a group of experts or firms) ("**Feasibility Expert**") to conduct completeness reviews of Services Applications pursuant to Article 18.10 and feasibility studies regarding requests for Expansion Capacity. If the State and Cam Iron have not agreed on a Feasibility Expert prior to the time the first Services Application is submitted, the State and Cam Iron shall each identify an independent expert within sixty (60) Days of submission of the Services Application, and the two independent experts will choose a third independent expert who shall be the Feasibility Expert. If a Party fails to identify an independent expert, the expert appointed by the other Party shall select the Feasibility Expert. Each of the State and Cam Iron may from time to time demand the removal of the Feasibility Expert, provided that the Feasibility Expert shall complete any Services Feasibility Studies then in progress. Upon a demand for removal of the Feasibility Expert, the State and Cam Iron shall attempt to identify a mutually acceptable replacement Feasibility Expert, but if they are unable to do so within one hundred and twenty (120) Days of the demand for removal, then the procedures set forth in the second and third sentence of this paragraph shall apply with respect to the selection of the replacement Feasibility Expert.
- (b) If directed by the Expansion Committee, the Feasibility Expert shall promptly commence the Services Feasibility Study, and shall complete and send the Services Feasibility Study to the State within a reasonable time frame from the date of receipt of such direction, having regard to the scope of work to be undertaken to produce the Services Feasibility Study.

18.13.2 Conduct of Services Feasibility Study.

- (a) Upon instruction of the State, the Feasibility Expert shall, within a reasonable time frame, complete and send a copy of the Services Feasibility Study to one or more of the Expansion Committee, the Expansion Project Companies, the State and the applicant for Expansion Capacity.
- (b) The Feasibility Expert shall establish a process acceptable to the Expansion Committee, the Expansion Project Companies and the State in their reasonable discretion for the Project Companies, the applicant for Expansion Capacity and the State to provide input and comments on the Services Feasibility Study which the Feasibility Expert may consider but is not required to accept.
- (c) If the Feasibility Expert is of the opinion that two or more Services Applications:

(i) are complementary, the Feasibility Expert may conduct, or cause to be conducted, a single Services Feasibility Study in relation to those Services Applications; or

(ii) are not complementary, the Feasibility Expert may conduct, or cause to be conducted, separate Services Feasibility Studies in relation to those Services Applications.

(d) Based on Legislation but subject to any additional requests made by the State, any Services Feasibility Study required in accordance with the provisions of this Article 18.13 must, in particular:

(i) require an in-depth review of the information provided by the applicant in its Services Application;

(ii) determine the impact, including any anticipated delays and disruptions, of the provision of Mineral Terminal services and Railway haulage services to the applicant on:

(A) the Mineral Terminal Operations, including with respect to the Environment, efficiency, reliability and safety;

(B) the Mineral Terminal capital and operating costs payable by the applicant, existing users of the Mineral Terminal and the Mineral Terminal Project Company;

(C) the Railway Operations, including with respect to the Environment, efficiency, reliability and safety;

(D) the Railway capital and operating costs payable by the applicant, existing users of the Railway and the Railway Project Company;

(E) the obligations of the Mineral Terminal Project Company to existing users of the Mineral Terminal;

(F) the obligations of the Railway Project Company to existing users of the Railway;

(G) the legitimate business and commercial interests of the Expansion Project Companies;

(H) whether the requested Expansion Capacity will result in an increase to the aggregate tariffs paid by an existing user of the Railway and Mineral Terminal (if there is no such increase then such determination shall be referred to as a "**Positive Economic Feasibility Determination**"); and

(I) whether the requested Expansion Capacity will result in any adverse impact (other than nominal impacts) on the Environment, efficiency, reliability and safety of the Railway Operations and Mineral Terminal Operations (which shall include whether any proposed physical collateral of rolling stock or other movable assets operated by the Expansion Project Companies for the benefit of all users and securing

the financing for such requested Expansion Capacity could, upon default thereunder, reasonably be expected to result in a material adverse impact on the overall Railway and Mineral Terminal system) or the loss of capacity for existing users (if there is no such adverse impact or loss of capacity then such determination shall be referred to as a **“Positive Technical Feasibility Determination”**);

- (iii) identify any additional land over which an Expansion Project Company may need to obtain a Project Lease in order to ensure that company has security of title to the surface area of the land on which the Railway Facility or the Mineral Terminal Facility may need to be expanded onto in order to allow for the construction and operation of the Expansion Capacity;
- (iv) identify the statutory and regulatory approvals required to be obtained by the applicant and:
 - (A) the Mineral Terminal Project Company for the provision of Mineral Terminal services; and
 - (B) the Railway Project Company for the provision of Railway haulage services;
- (v) review the applicant’s financial capacity to fund the construction of any additional Railway Facility or Mineral Terminal Facility infrastructure and meet its obligations under the anticipated service agreement with respect to provision of each of:
 - (A) the Mineral Terminal services; and
 - (B) the Railway haulage services,to the applicant;
- (vi) review the financial capacity of the Mineral Terminal Project Company to finance the supply of Mineral Terminal services to the applicant;
- (vii) review the financial capacity of the Railway Project Company to finance the supply of Railway haulage services to the applicant;
- (viii) review current environmental, geological and social conditions and analyse the expected impact on the same of the proposed services including with respect to noise pollution, water use and availability, endangered species, archaeological remains, nuisance and job creation;
- (ix) identify the applicant’s lenders’ requirements in the context of the supply of:
 - (A) the Mineral Terminal services; and
 - (B) the Railway haulage services,

to the applicant;

- (x) make recommendations on each of the elements described above in Article 18.13.2(d)(i) in order to contribute to the acceptance of the Service Application.; and
- (xi) include a reasonable timetable and deadlines for completing the works required to create the Expansion Capacity.

(e) The outside expenses of conducting the Services Feasibility Study must be borne solely by the applicant including the cost of engaging the Feasibility Expert and the applicant shall reimburse the reasonable expenses incurred by Cam Iron, the Expansion Project Companies and the Expansion Committee.

(f) If a single Services Feasibility Study is conducted in relation to more than one Services Application, the costs of conducting that Services Feasibility Study must be apportioned between the applicants as the Feasibility Expert determines.

(g) The State shall provide information regarding the portion of the tariff allocated exclusively to it to allow completion of the Services Feasibility Study.

18.14 Outcome of a Services Feasibility Study

(a) The State may deliver a notice (an "**Expansion Directive**") to the Project Companies instructing them to proceed with the acceptance and implementation of a request for Expansion Capacity if:

(i) there has been a Positive Economic Feasibility Determination and Positive Technical Feasibility Determination; or

(ii) there has been a Positive Technical Feasibility Determination but not a Positive Economic Feasibility Determination and the applicant for Expansion Capacity agrees to indemnify and provide reasonable security to existing users (to the extent reasonably required by the users) for the net amount of increased tariffs as a result of the requested Expansion Capacity.

(b) If, as a result of a Services Feasibility Study or any updated Services Feasibility Study, there has not been a Positive Economic Feasibility Determination or a Positive Technical Feasibility Determination, the applicant may make changes to its Services Application and, with the approval of the State, the Feasibility Expert shall prepare an updated Services Feasibility Study at the expense of the applicant.

(c) If the updated Services Feasibility Study would then allow the State to deliver an Expansion Directive pursuant to Article 18.14(a), then the State may deliver an Expansion Directive based on the updated Services Feasibility Study.

(d) An applicant may make multiple revised Services Applications (including if a Services Application does not result in a Positive Technical Feasibility Determination) and may, with the approval of the

State, have multiple Services Feasibility Studies performed in respect of such revised Services Applications.

- (d) The State shall deliver an Expansion Directive if there has been a Positive Technical Feasibility Determination and a Positive Economic Feasibility Determination and the request is from the Mine Project Company and Cam Iron (on behalf of itself or Congo Iron) for Reserve Expansion Capacity pursuant to an application compliant with Article 18.8.
- (e) If the Expansion Project Companies receive an Expansion Directive or decide to offer the applicant a Mineral Terminal Services Agreement and a Railway Haulage Agreement, then:
 - (i) the Expansion Project Companies shall provide a form of Mineral Terminal Services Agreement and Railway Haulage Agreement, which shall be based on the terms and conditions set forth in the applicable Mineral Terminal Services Agreement and Railway Haulage Agreement to which the Mine Project Company is a party;
 - (ii) to the extent the applicant requests material changes to the proposed form of Mineral Terminal Services Agreement and Railway Haulage Agreement which are not acceptable to the Expansion Project Companies, then the Expansion Project Companies shall, as applicable, submit to the Expansion Committee for resolution, the details of the material changes being requested by the applicant which are not acceptable to the Expansion Project Companies and shall then negotiate with the applicant on the basis of changes determined by the Expansion Committee; and
 - (iii) the Railway Project Company shall enter into the final Railway Haulage Agreement with the applicant and the Mineral Terminal Project Company shall enter into the final Mineral Terminal Services Agreement with the applicant.
- (f) If requested the Expansion Capacity would result in the loss of future Expansion Capacity due to an inefficient use of resources or design, the Expansion Project Companies and Expansion Committee may raise such concerns with the State for evaluation in the State's decision whether to authorize the requested Expansion Capacity.

18.15 Construction of Expansion Capacity

- (a) The State acknowledges that, notwithstanding having requested that a Third Party be provided with Expansion Capacity or consented to the creation of Expansion Capacity after the completion of a Services Feasibility Study, the Expansion Project Companies are not required to incur any additional capital expenditure in connection with the construction of such Expansion Capacity although they may in their sole discretion elect to do so in which case, they shall advise the State and the applicant of this.
- (b) The applicant may itself construct or negotiate with the Expansion Project Companies or third parties to construct the Expansion Project. Regardless of who is constructing the Expansion Project, the applicant

and the Expansion Project Companies shall cooperate and agree on a plan (including a completion certificate) regarding design, construction and commissioning (consistent with the Services Application and Services Feasibility Study) that minimizes, to the extent reasonably possible, the disruption the construction causes to the existing users and addresses any detailed specifications for construction and commissioning not specified in the Services Application and Services Feasibility Study that are necessary to integrate the Expansion Project and existing assets. Any disputes between the Expansion Project Companies and applicant shall be settled pursuant to the procedures set forth in the Technical Dispute Resolution Agreement and, in connection with the issuance of an Expansion Directive, the applicant shall be required to enter into an agreement agreeing to be bound by the procedures set forth in the Technical Dispute Resolution Agreement.

18.16 Ownership of the Assets used to create the Expansion Capacity

Notwithstanding that the user of the Expansion Capacity may provide the funding to create that Expansion Capacity, all assets, be they fixed or moveable, that will be owned by an Expansion Project Company pursuant to the financing plan shall belong to the Expansion Project Company that is incorporating those assets into its operation and, at the time of designing the works, each Expansion Project Company must advise the user which of the assets will be fixed and which will be moveable, having regard to accounting standards applicable to the operations of the Expansion Project Companies.

18.17 Tariffs

The Rail Project Agreement and the Mineral Terminal Agreement will address the tariffs to be charged to all users of the Railway Facilities and Mineral Terminal Facilities respectively. These tariffs will substantially incorporate the Tariff Frameworks and for the users of Expansion Capacity, including for any Reserve Expansion Capacity, will include:

- (a) the additional base charge which is to be allocated (i) seventy-five percent (75%) to the State and twenty-five percent (25%) to the Rail Project Company or Mineral Terminal Project Company so long as the Rail Project Company or Mineral Terminal Project Company is operator of the Railway and Mineral Terminal, as the case may be, and (ii) one hundred percent (100%) to the State (A) if the Rail Project Company or Mineral Terminal Company is no longer the operator or (B) if the length of the original twenty five (25) year term of the concession under the Railway Agreement and Mineral Terminal Agreement is extended for five (5) years pursuant to Article 10.9.2(a); and
- (b) an additional State charge determined by the State which shall be allocated and paid exclusively to the State notwithstanding such amount being collected by the Expansion Project Companies; provided, that there shall be no such additional State charge on any Reserve Expansion Capacity.

18.18 Security for Third Party Funding

Subject to Article 18.13.2(d)(ii)(I), a Third Party or its financier that is providing capital to fund the construction of any Expansion Capacity may call upon the

Expansion Project Company if, through the provision of capital, an Expansion Project Company will own or operate assets used as collateral for the financing of the Expansion Capacity to provide reasonable security in favour of the applicant or its financier (provided any such security does not create unreasonable credit risk or to be over assets other than those being acquired by the Expansion Project Company in order to create the Expansion Capacity) and the Expansion Project Company and, subject to Lender approval, such party shall enter into an agreement on reasonable terms for such security.

18.19 Mineral Terminal Agreement and Railway Haulage Agreement

Without limiting the effect of Article 18.14(e), each Expansion Contract which is offered to an applicant shall contain reasonable customary terms substantially in accordance with the terms of the Railway Haulage Agreement and the Mineral Terminal Services Agreement (in each case other than with regards to the duration and the tariff components described in Article 18.17), and the Expansion Project Companies shall cooperate with the State to develop prior to the end of Stage 1 a form of contract to be proposed to the applicant. These terms of any such Mineral Terminal Services Agreement and Railway Haulage Agreement may include (if reasonable in the context), amongst other things:

- (a) appropriate take or pay terms;
- (b) the applicant's maximum entitlement to capacity;
- (c) conditions precedent to provision of the services;
- (d) obligations of the Expansion Project Companies to provide services;
- (e) obligations of the applicant to use the services;
- (f) the apportionment of risk between the applicant and the Expansion Project Companies;
- (g) the time for commencement of the services;
- (h) the term for which the services may be provided;
- (i) the charges that will apply to the services;
- (j) integration infrastructure required for the provision of the services to the applicant;
- (k) performance targets and key performance indicators;
- (l) stockpiling arrangements;
- (m) planning and scheduling of services;
- (n) changes in services;
- (o) provisions giving effect to the matters referred to in Article 18.14;
- (p) ownership of facilities and infrastructure; and
- (q) limitations on and impact from and mitigation of any negative

environmental and geological effects on the Exploitation Area or other relevant areas.

Nothing in the contract must result in any existing user of services from either Expansion Company having to:

- (a) receive a lesser service (more than a *de minimis* degradation) than that being enjoyed by them at that time; provided that moving from a “run when ready” or similar system appropriate for a single user to a system appropriate for multiple users and any resulting changes shall not be a violation of this requirement;
- (b) pay a higher tariff (in more than a *de minimis* amount) than that being paid by them at that time; and
- (c) pay any capital in more than a *de minimis* amount over and above that paid at that time or to be paid by way of Sustaining Capital.

18.20 Third Party Access Facilities

- (a) If, during the Term of the Project, the State, the Mineral Terminal Project Company, the Railway Project Company or a Third Party wishes to build or procure the building of any Third Party Facility, then the State, the Third Party (if applicable), the Mineral Terminal Project Company and the Railway Project Company shall come together in order to agree upon the conditions under which this Third Party Facility shall be built by either the Mineral Terminal Project Company or the Railway Project Company in the context of either:
 - (i) the Railway Agreement and/or the Project Lease relating to the Railway or Project Roads;
 - (ii) the Mineral Terminal Agreement and/or, as the case may be, the Project Lease relating to the Mineral Terminal; and
 - (iii) an Additional Specific Agreement and, as the case may be, a new Project Lease, which shall at the minimum include the obligations, as the case may be, of the Railway Project Company concerning the Railway Facilities and the Project Roads or of the Mineral Terminal Project Company concerning the Mineral Terminal Facilities as provided in this Convention,

provided that if such request is made by the Railway Project Company or the Mineral Terminal Project Company, the latter shall file an Additional Facility request under the conditions set forth in Article 19.1.

- (b) For the avoidance of doubt, unless the Parties otherwise agree, the building and maintenance of any Third Party Facility pursuant to this Article 18 shall not constitute a Railway Operation, a Road Operation or a Mineral Terminal Operation within the meaning of this Convention.

18.21 Cooperation.

The Project Companies shall use their reasonable efforts to cooperate with and assist the Feasibility Expert and applicant in the preparation of a Services Application,

preparation of a Services Feasibility Study and other matters related to Expansion Capacity.

18.22 **Expansion Committee**

18.22.1 Creation of the Expansion Committee

An Expansion Committee shall be set up for the Project. To facilitate the fulfilment of its function and the process of requests for Expansion Capacity, the Expansion Committee may delegate any of its functions and roles to an Expansion Project Company from time to time.

18.22.2 Composition of the Expansion Committee

(a) The Expansion Committee shall be composed of nine (9) members or another number determined by mutual agreement of the State and Expansion Project Companies:

(i) Cam Iron shall have four (4) members, each assisted by an alternate appointed by the Expansion Project Companies during the Term of the Project and among whom Cam Iron shall designate a principal representative (the "**Cam Iron Representative**"); and

(ii) the State shall have five (5) members, each assisted by an alternate and among whom the State shall elect a principal representative (the "**State Representative**").

(b) The alternates appointed by the Expansion Project Companies or the State shall act only in case a Cam Iron Representative or the State Representative respectively is unavailable. Each Party is entitled to replace its representatives or alternates at any time by giving written notice to the other Party of such replacement.

(c) The State and Cam Iron may arrange for a reasonable number of their respective personnel to take part in meetings of the Expansion Committee. However, only the persons appointed as the Cam Iron Representative or the State Representative, or, in their absence, their alternates, shall have a right to vote on the Expansion Committee. Each Representative or, in the absence, his or her alternate representative, shall have one (1) vote and shall be deemed to be authorized to represent and to bind the Party that appointed it on any subject within the competence of the Expansion Committee. Any person attending the meetings of the Expansion Committee shall be under a strict obligation of confidentiality with regard to the discussions, the questions raised, and the information disclosed. Nevertheless, the Cam Iron Representative and the State Representative shall have the right to debrief their respective principals and advisors on the discussions and questions raised. Disclosure of confidential information as required by the Legislation or other applicable law shall not be a violation of this restriction to the extent it involves any information that (i) is or becomes generally available to the public or in the industry other than as a result of a disclosure by the recipient in breach of this Convention, (ii) was within the possession of the recipient or the Party with which it is affiliated prior to its being furnished to the recipient, provided that the source of such information was not bound by a confidentiality agreement with, or other contractual,

legal or fiduciary obligation of confidentiality to, the provider with respect to such information, (iii) is or becomes available to the recipient or the Party with which it is affiliated on a non-confidential basis from a source other than the provider, provided that such source is not bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the provider with respect to such information or (iv) was independently developed by such disclosing party.

18.22.3 Competence of the Expansion Committee

- (a) The Expansion Committee shall have the roles, rights and obligations set forth in the Project Agreements and shall also serve as a forum for discussing and coordinating expansion in general. Without limitation, the Expansion Committee:
 - (i) is to be provided with a draft of the Services Feasibility Study for comment prior to it being released;
 - (ii) is to review and provide comment on any Services Application.
- (b) The Expansion Committee examines all proposals seeking access to the Mineral Terminal Facilities and the Railway Facilities. Within this framework, the Expansion Committee:
 - (i) reviews and provides any comments on:
 - (A) any approach to the State by a Third Party for a right of access to the Railway Facilities and the Mineral Terminal Facilities; and
 - (B) any Services Application.
 - (ii) is to be consulted by the State prior to the State giving notice to the Expansion Project Companies that it wishes them to conduct a Services Feasibility Study;
 - (iii) is to meet to make a recommendation on any Services Application;
 - (iv) is to be provided with a draft of the Services Feasibility Study for comment prior to it being released to the Third Party; and
 - (v) is to consider any other matter with respect to accessing the Mineral Terminal Facilities or the Railway Facilities.
- (c) Each Expansion Project Company is to submit to the Expansion Committee:
 - (i) any Services Application it receives; and
 - (ii) any other matter associated with an Expansion Project Company giving consideration to granting of access to the Railway Facilities or the Mineral Terminal Facilities.
- (d) The members of the Expansion Committee shall consult one another on

the matters submitted to them in order to reach a unanimous decision. When a matter is not decided unanimously during a meeting of the Expansion Committee, the examination of such matter shall be postponed to a subsequent meeting of the Expansion Committee which shall take place, as convened by Cam Iron, at least ten (10) (but not more than forty five (45)) Days following the date of the first meeting. During this period, the Parties shall meet and Cam Iron shall provide all information and details as may be required by the State in its capacity as a member of the Expansion Committee. If, during the subsequent meeting, the members of the Expansion Committee do not reach an agreement on the decision to be made, a decision may be taken by a vote of a majority of the total number of members of the Expansion Committee.

- (e) The Expansion Project Companies will keep the Expansion Committee informed of all communications with applicants.

18.22.4 Meetings of the Expansion Committee

- (a) The Expansion Committee shall meet at any time at the request of the State Representative or the Cam Iron Representative. Notices of meetings of the Expansion Committee will be sent in writing to the members thereof by the Party that took the initiative for the meeting, at least fifteen (15) Days before the anticipated date of the meeting. Every notice of meeting shall contain an indication of the date, time and place of the planned meeting and the intended purpose. Meetings of the Expansion Committee will be held in Yaoundé, Cameroon, or another location agreed to by the Cam Iron Representative and the State Representative.
- (b) When a Party takes the initiative to call a meeting, it shall provide the other Party before the anticipated date of the meeting, with all the items of information necessary for the taking of decisions at the meeting.
- (c) Each of the Cam Iron Representative and the State Representative shall be entitled to add subjects to the agenda, subject to giving written notice thereof to the other representative before the anticipated date of the meeting. No decision may be taken at a meeting of the Expansion Committee on a subject that has not been included on the agenda for the meeting in advance, unless a unanimous decision to the contrary is taken by the Cam Iron Representative and the State Representative.

18.22.5 Sub-committee

The activities of the Expansion Committee may be referred to a sub-committee.

18.22.6 Chairing and secretariat

Meetings of the Expansion Committee will be chaired by the State Representative. The Cam Iron Representative will act as secretary and a member of the Expansion Committee appointed by the State will act as deputy secretary.

18.22.7 Minutes

The secretary and the deputy secretary shall prepare written minutes of each meeting and shall send a copy thereof to the State Representative and the Cam Iron

Representative following the meeting, for approval or comments and the State and Cam Iron representatives will respond to the comments of the other Party's representatives within a reasonable time period.

18.22.8 Decision without meeting

- (a) Any question may be submitted to the Expansion Committee for a decision without giving rise to a formal meeting of the Expansion Committee, on the condition that the Party taking this initiative transmits the question to the other Party in writing. In this event, each of the Cam Iron Representative and the State Representative must inform the other of its vote within ten (10) Days of receipt of the said question. The absence of a response from either the Cam Iron Representative or the State Representative on the question under discussion shall be deemed to represent a negative vote.
- (b) Any decision adopted by the Cam Iron Representative and the State Representative according to the terms and conditions provided by Article 18.22.8(a), shall have the same value as a decision adopted in the context of a formal meeting of the Expansion Committee.

18.22.9 Funding of Expansion Committee

- (a) The budget of the Expansion Committee shall be prepared in accordance with Article 18.22.9(b). The Expansion Project Companies shall pay the costs of its members and advisors to the extent provided in the budget (the members may bring additional advisors at the expense of the member) to attend meetings of the Expansion Committee but all other actual costs shall be divided equally amongst the Railway Project Company and the Mineral Terminal Project Company. The Parties shall agree on a method for paying a per diem amount to the Expansion Committee members. The Parties will also provide for the completion of any documents necessary for the Project Companies and their parent companies, as the case may be, to comply with applicable provisions of Australian legislation regarding such payments.
- (b) At least forty-five (45) Days prior to the beginning of each Calendar Year, Cam Iron shall, in consultation with the State, send to the State a proposal for funding the Expansion Committee for the following Calendar Year, on the basis of the estimated operational costs, including the daily compensation of the State Representatives.
- (c) The State, within forty-five (45) Days following receipt of the aforementioned proposal, shall:
 - (i) accept this proposal; or
 - (ii) provide its comments and recommendations to Cam Iron.
- (d) In case of the State's failure to respond within the aforementioned period, the State shall be deemed to have accepted the proposal.
- (e) In case of a disagreement between the State and Cam Iron, the Parties undertake to seek an agreement on the funding of the Expansion Committee. In the absence of an amicable settlement within sixty (60)

Days following receipt of the State's comments and recommendations, the amount of the Expansion Committee's budget for the contemplated Calendar Year shall be equal to the higher of (i) the sum of one hundred percent (100%) of the prior Calendar Year's budget plus the Inflation Adjustment or (ii) the amount proposed by Cam Iron.

- (f) The Mine Project Company shall fund the approved budget of the Expansion Committee.

19 OTHER FACILITIES

19.1 Other Facilities

- (a) The Parties acknowledge that, during the implementation and development of the Project, the building of facilities other than the Mining Facilities, Railway Facilities, Mineral Terminal Facilities, and Beneficiation Facility may prove necessary, either for the purposes of the Project, or for the needs of Third Parties entitled to access the Railway Facilities and/or Mineral Terminal Facilities under the conditions set forth in this Convention.

- (b) If the entity expressing the wish to build a new facility for the purposes of the Project is a Project Company, the latter will have to provide the State with a written request for a new facility indicating, to the extent appropriate or required by the Legislation:

- (i) to what extent the building of the requested facility satisfies a need of the Project that cannot be met by the Project Facilities or other existing facilities in the territory of the State;

- (ii) the practical arrangements, including the base area, layout, design, materials and timetable for commencement, development, construction, layout and completion of said new facility, determined on the basis of studies conducted by a Subsidiary, Contractor or Subcontractor; as well as the impact on the Project in terms of deadlines, costs and profits;

- (iii) the site plan of the requested facility and in particular whether it can be connected to the Exploitation Area, the Railway Area or the Mineral Terminal Area and be the subject of an amendment to the relevant Specific Agreement; or, on the contrary, whether it requires the delivery of a Project Lease or the conclusion of an Additional Specific Agreement;

- (iv) an environmental and social assessment and management plan specific to the requested facility and to the site plan of said facility, substantially in the form of the Environmental and Social Assessment and Management Plan;

- (v) a Project Lease Request, a draft Additional Specific Agreement or a draft amendment to an existing Specific Agreement;

- (vi) the identity of:

- (A) the Project Company in charge of building the requested

facility; and

(B) the Contractor(s) and Subcontractor(s) contemplated by the tender or pre-qualified as the case may be for the design, construction, operation and maintenance of the requested facility;

(vii) whether the exclusive purpose of the requested facility is to meet the needs of one or more Project Company or Project Companies or whether Third Party access may be technically envisaged without materially changing the data referred to in Article 19.1(b)(ii); and

(viii) whether the operation of the requested facility (being a facility that does not form part of any Expansion Capacity) it allows for the generation of additional income,

(the "Additional Facility Request").

(c) The requirements of Article 19.1(b) to provide the State with an Additional Facility Request will not apply where the costs associated with the construction of this facility, and with making the facility and any related equipment operational, does not exceed a total cost of twenty million (20,000,000) US Dollars (adjusted by the Inflation Adjustment); provided, that, such Additional Facility Request must comply with the Environmental and Social Assessment and Management Plan, as the same may be updated to address the impact of the requested facility.

(d) Any request for the construction of an additional facility formulated by a Third Party and sent to a Project Company must immediately be notified to the State.

(e) The State, within the deadlines prescribed by the Legislation or, failing this, within one hundred eighty (180) Days following the receipt of the Additional Facility Request shall:

(i) provide its comments and recommendations to the Project Company that made the Additional Facility Request; or

(ii) dismiss the Additional Facility Request, subject to such dismissal being justified by one or more of the following reasons:

(A) the needs justifying the building of the requested additional facility can be met by an existing Project Facility or another pre-existing facility;

(B) failure to comply with the Legislation;

(C) material violation of any Project Agreements by a Project Company, Contractor or Subcontractor over the trailing twenty-four (24) month period, or the occurrence of five (5) or more breaches over the same such period which, in the aggregate, have a Material Adverse Effect;

(D) if the said request does not materially comply with the practices generally accepted for high-scale international iron

ore exploitation projects; or

(E) said request does not comply with the State's material interests and standards with respect to environmental or social policies or other reasonable considerations.

(f) Within the one hundred and eighty (180) Days following the date of receipt of the State's comments and recommendations, the Project Company that made the Additional Facility Request shall:

(i) supplement the Additional Facility Request to take into account the State's comments and recommendations provided that they are justified from a technical and/or economical standpoint under the Legislation;

(ii) prepare a draft Project Lease, a draft Additional Specific Agreement or a draft amendment to the applicable Specific Agreement; and

(iii) provide all such documentation to the State, together with any other information as may be reasonably required by the State.

(g) Unless the State dismisses the request under the same conditions as those set forth in Article 19.1(e)(ii) the State shall authorise the building of the requested additional facility and:

(i) enter, with the Project Company that made the Additional Facility Request, into a Project Lease or an Additional Specific Agreement in accordance with the provisions of Article 20, or, as the case may be, an amendment to the applicable Specific Agreement; and

(ii) consider in good faith and not unreasonably withhold its consent to any applications in compliance with the Legislation for any Project Company of any other necessary permit, authorisation or administrative document, according to the Legislation, to validly authorise the Project Company that made the Additional Facility Request to build the requested Additional Facility,

(together, the "**Additional Facility Authorisation**").

(h) The State and the relevant Project Company shall use their reasonable endeavours for the Additional Facility Authorisation to be delivered within the deadlines prescribed by the Legislation or, failing this, within one hundred eighty (180) Days following the date of receipt by the State of the revised and finalized file containing the Additional Facility Request.

(i) If the Additional Facility Authorisation could not be delivered for the Beneficiation Power Station due to a refusal of the State in accordance with Article 19.1(e)(ii)(C) and the State considers, at its sole discretion, that the building of said facility is of particular significance for the needs of the local or national economy, the State may:

(i) freely organise a public offering, in compliance with the World Bank standards, for the financing, construction, maintenance and operation of the Beneficiation Power Station on the basis of all the rights

equivalent to those covered by an Additional Facility Authorisation and Articles 10.3 and 10.4 with a view to building said facility and, provided that the service offering issued for the building of said facility generally is substantially similar in substance to the service offering that would have been issued for the facility initially requested by a Project Company; and

(ii) subject to the successful bidder agreeing to supply the said services by the BF Construction Deadline (or such earlier date as mutually agreed by the State and Cam Iron) and paying damages commensurate with estimated losses to the Mine Project Company if it fails to provide the timely supply of the power, compel the Mine Project Company requiring the power for the purposes of the Beneficiation Facility to enter into any agreement with the successful bidder in the context of the aforementioned public offering, under conditions better than (when accessed by the Mine Project Company) or identical to those set forth in the Additional Facility Request.

(j) Where the building of any additional facility has been the subject of a Project Lease, an Additional Specific Agreement or an amendment to the applicable Specific Agreement, this additional facility shall become a Project Facility and the legal regime applicable to the Assets comprising said additional facility, the maintenance and repair obligations and, as the case may be, Third Party access, shall be treated in accordance with the provisions of this Convention applicable to the Project Facilities, as supplemented, as the case may be, in the Project Lease, the Additional Specific Agreement or in the amendment to the existing Specific Agreement.

19.2 Existing Facilities

(a) Subject to the approval of the State and of all relevant Third Parties, the relevant Project Companies may, instead of constructing additional facilities, use all existing facilities under conditions mutually agreed between the Parties.

(b) Where such infrastructure is operated by a public entity (or a semi-public entity Controlled by a Governmental Entity), the State undertakes to reasonably facilitate the conclusion of the necessary agreements between the operator and the relevant Project Company.

(c) As the case may be, the relevant Project Company may, if it considers it appropriate, upgrade and maintain and repair any of the existing facilities which it uses and for these purposes, the relevant Project Companies may become the exclusive manager or operator under conditions mutually agreed between the Parties, in accordance with Article 19.2(a). The Parties shall indemnify and hold each other harmless against all third party liability and damages to each Party's property, except to the extent that such damage or liability is the fault of such Party or any Contractor or Subcontractor hired by such Party.

19.3 Hydrocarbon Facility

(a) The Parties acknowledge that the Project Companies will be a very significant consumers of hydrocarbon products in the conduct of the

Project Operations and that for that purpose the Mineral Terminal Project Company will need to establish or cause to be established at the Mineral Terminal, a hydrocarbon facility which is suitable for the import, storage and distribution of hydrocarbon products in compliance with the Legislation.

(b) In developing the Mineral Terminal Facilities, the Mineral Terminal Project Company will develop or engage a Contractor to develop a hydrocarbon facility to meet the requirements of the Project Operations referred to in Article 19.3(a) and as part of its commitment to the State, the Project Companies agree to work with the State to see how the hydrocarbon facility and the Mineral Terminal can be designed and developed to provide a capacity beyond the needs of the Project so as to support the hydrocarbon demand of the region around the Mineral Terminal Facility and without limitation the Mineral Terminal Project Company will:

- (i) assist in the assessment of the regional demand for hydrocarbon products;
- (ii) in conjunction with a Contractor, design a hydrocarbon facility which is sufficient to meet the requirements of both the Project and more broadly, the region;
- (iii) work with the State to determine how best to integrate the requirements of the Project with the forecast requirements of the region so as to use the Project's hydrocarbon demand as the catalyst for the development of a hydrocarbon facility which can support the requirements of the region;
- (iv) work with the State to develop a funding plan for the proposed hydrocarbon facility; and
- (v) use its proposed hydrocarbon product buying power to support or attract the involvement of a fuel supply and distributor to assist in the development of the hydrocarbon facility,

it being understood that the development and operation of such a hydrocarbon facility is not intended to adversely impact on the:

- (vi) economics of the Project and in particular the tax and excise concessions on hydrocarbon products;
- (vii) occupation health and safety of the Mineral Terminal Project Company's operations; and
- (viii) operating philosophy of the Mineral Terminal Project Company.

20 ADDITIONAL SPECIFIC AGREEMENTS AND PROJECT LEASES

20.1 Purpose of the Additional Specific Agreements and of the Project Leases

- (a) The Parties agree that, in the context of the implementation and development of the Project, the delivery of the Project Leases and/or

conclusion of one or more Additional Specific Agreement(s) may prove necessary to allow the Project Companies or their Contractors and Subcontractors to:

- (i) temporarily use and occupy any portion of land located either:
 - (A) outside the Exploitation Area, the Railway Area or the Mineral Terminal Area, for the purposes of the Project including for the procuring of building materials; or
 - (B) within the Exploitation Area, the Railway Area or the Mineral Terminal Area ahead of the grant of a Project Lease for the purposes of the Project including for the procuring of building materials; and
- (ii) determine more precisely the rights and obligations of the Project Company in the conduct of the Project Operations it is entitled to carry out.

(b) For the avoidance of doubt, neither the Project Leases nor the Specific Agreements shall grant to their beneficiary any mining rights, rights in the subsoil or rights in the mining substances and other natural resources contained in the soil and/or the subsoil of the State.

(c) It is further agreed that every time the use of another portion of land is necessary for the conduct of a commercial activity for the purposes of the Project, the conclusion of an Additional Specific Agreement under conditions substantially similar to those of the Specific Agreements and/or the delivery of a Project Lease will constitute a mandatory prerequisite, it being specified that the State shall have the right to choose the legal instrument it deems most appropriate, at its sole discretion.

20.2 Project Lease Request and proposed Additional Specific Agreement

(a) Any Project Lease Request or proposed Additional Specific Agreement to the State shall be made either:

- (i) in the context of an Additional Facility Request; or
- (ii) as a separate requirement, indicating the purpose of the Project Lease Request or the Additional Specific Agreement and indicate a detailed study specifying:
 - (A) the situation, area, and layout of the lands for which the Project Lease or the Additional Specific Agreement is requested; and
 - (B) the extent to which such request cannot be satisfied within the Exploitation Area, the Railway Area or the Mineral Terminal Area as they exist at the date of the Project Lease Request.

(b) Any Project Lease Request or proposed Additional Specific Agreement and any related rental fee, if applicable, shall be appraised and negotiated by mutual agreement between the Parties in compliance with the

timetable determined by the party making the request or the proposal and the State according to the purpose of the request.

20.3 Grant of Project Leases

The State shall grant, to each of the Railway Project Company and the Mineral Terminal Project Company, Project Leases over the areas identified in the Railway Concession and Mineral Terminal Concession as being needed to construct and operate the Railway and the Mineral Terminal and these Project Leases shall:

- (a) be for the term of the Railway Concession and the Mineral Terminal Concession; and
- (b) be on terms usually associated with project leases in the territory of the State; and
- (c) attract a rental of the greater of (i) a total of five hundred and ten million (510,000,000) CFA Franc or (ii) three (3) CFA Franc per square metre for the area comprising the Mineral Terminal Area, Railway Area and area of the Project Road Adjacent to the Railway (if not duplicative and continuing after the applicable portions of such road are dedicated to public use) per annum, paid half yearly in advance.

20.4 Temporary Use and Occupation

Where Cam Iron or a Project Company or their Contractors or Subcontractors require building materials or sites for construction camps for the purposes of the Project as contemplated in Article 20.1(a)(i), the State shall employ reasonable efforts (*obligation de moyens*), consistent with applicable standards, to promptly grant to the party the temporary use and occupancy rights requested, provided that the application is in accordance with the terms thereof and of the Legislation, and does not otherwise adversely impact on the rights of Third Parties or the Reserved Rights of the State. The party requesting such temporary rights shall indemnify the State and the other Project Companies against any damage or liability resulting therefrom. Any such request shall take into account existing use and condition (from an environmental, geological and social standpoint) of the land and take all reasonable measures to avoid or mitigate any negative effects thereon.

21 OPERATING REGIME FOR RAILWAY OPERATIONS AND MINERAL TERMINAL OPERATIONS

21.1 Access Protocol

In order for Mine Company, Congo Iron, an Subsidiary or a Third Party to be provided with:

- (a) Railway services by the Railway Project Company; and
- (b) Mineral Terminal services by the Mineral Terminal Project Company,

it will be necessary for:

- (i) the exact nature and range of services to be provided by each of the Railway Project Company and Mineral Terminal Project Company to be defined;

- (ii) the basis of the tariff to be charged for each service to be determined; and
- (iii) the variables for insertion into the Railway Haulage Agreement and Mineral Terminal Agreement to be determined,

and in order to achieve this, each of the Railway Project Company and the Mineral Terminal Project Company will, in addition to the requirements set forth in the Railway Agreement and Mineral Terminal Agreement, need to develop an access protocol for each of the Railway and Mineral Terminal ("Access Protocol").

21.2 Development of Access Protocols

The State and Cam Iron recognise that in order to develop the Access Protocols referred to in clause 21.1, it will take time and require each of the Railway Project Company and Mineral Terminal Project Company to:

- (a) better develop the range of services each will be providing and how they will charge each user for those services; and
- (b) develop the terms of each of the Railway Haulage Agreement and the Mineral Terminal Agreement,

and Cam Iron will cause each of the Railway Project Company and the Mineral Terminal Project Company to develop such Access Protocols both in a timely manner in consultation with the State and in accordance with internationally accepted access principles for bulk commodity supply chains.

SECTION IV – PROJECT OPERATIONS JOINT PROVISIONS

22 GENERAL PROVISIONS CONCERNING THE EXPLOITATION AREA, THE PROJECT LEASES AND THE SPECIFIC AGREEMENTS

In addition to the general warranties of the State contained in Articles 12.2.5, and 13.8, the delivery of the Project Lease or the conclusion of a Specific Agreement, is to result in the holder or signatory Project Company being granted the following additional rights and protections.

22.1 General rights of Project Companies

Each Project Company in charge of carrying out all or part of the Project Operations shall be entitled, subject to the Project Agreements, the Reserved Rights and the Environmental and Social Assessment and Management Plan:

- (a) to a right to access and use the lands contemplated by the Project Leases and the Specific Agreements under the conditions determined by the said documents. The State or any Third Party appointed to represent the State may access these lands at any time subject to a prior notification to the relevant Project Company and shall comply with the applicable provisions of the Legislation and the caution and security rules in force on the site, of which it shall be advised by such Project Company;
- (b) subject to the provisions of Article 19.2, to a right to negotiate with the applicable Third Party to use, pursuant to applicable Legislation, the existing public facilities for the Project Operations, including any

aerodrome, roads, worksites and other similar facilities, in consideration of payment of the duties payable, as the case may be, for such a use, in accordance with the Legislation, provided that (i) such use does not materially interfere with the exercise of the Reserved Rights, (ii) such use complies with any applicable usage restrictions, and (iii) any user of such assets agrees to indemnify the State and applicable Project Companies for any liabilities or damages resulting therefrom; and

- (c) to a right to exploit, exclusively for required Project uses and in a reasonable and conservative manner, the stone, sand, clay and gravels existing within the Project Area, in accordance with the Legislation, without such exploitation being subject to any additional rent or fee. It is further agreed that, save where exemption is granted by the State, these substances found within such Project Area shall be used exclusively for the purposes of the Project Operations within the same Project Area, other than to the extent such stone may be required in order to provide the ballast for standard gauge heavy haulage railway line connecting the Nabeba Project to the Initial Spur Line. Any use of such substances shall require indemnification by the user thereof to the State for any liabilities or damages resulting therefrom and shall be preceded by a mutually agreeable mitigation plan for any displacement.

22.2 Covenants by the State on Conflicting Land Use

- (a) Subject to the Legislation and the Reserved Rights, the State undertakes to:
 - (i) ensure that its various ministries do not create or authorize material conflicting land use with respect to the land on which the Project Operations are being undertaken or conservation operations which are being undertaken by Cam Iron or a Project Company to offset the impact of Project Operations (including in accordance with the Conservation Convention);
 - (ii) enforce any provisions of any concession, licence agreement, right or title that it has granted or entered into with a Third Party where the failure to do so is allowing that Third Party to cause or create a materially adverse land use with respect to the Project Operations; and
 - (iii) not grant to a Third Party any rights to the land described in the Mineral Terminal Agreement as being set aside for expansion of the Mineral Terminal to achieve the Design Capacity nor will the State permit any ministry to utilise any of that land so set aside without having sought the confirmation from the Mineral Terminal Project Company that it no longer has any potential need for that land for the purpose of creating Expansion Capacity. To the extent possible, the Parties will consider including this land in the initial Project Lease for the Mineral Terminal Facility to avoid potential conflicts.

Any violation of the foregoing by the State may be deemed a Compensation Event, subject to the definition set forth in Article 1 hereof, and, as such, may qualify for Convention Compensation pursuant to Article 39 hereof.

- (b) The Project Companies shall give the State prompt notice of any event or

circumstances known to them which has or could be reasonably be expected to result in conflicting land use or other violation of the State's obligations of this Article 22.2 (whether material or not) so that the State may attempt to mitigate the impact, and the Project Companies shall cooperate with the State and use their reasonable efforts to mitigate any such impact.

(c) Where the State provides to:

- (i) a Project Company, a Project Lease then it undertakes, subject to the Legislation and the Reserved Rights, to ensure that no Third Party is granted any right to use the surface area of the Project Lease, where such use materially adversely impacts the intended use of that surface area by the Project Company; and
- (ii) Cam Iron, the Exploitation Permit then, any grant to a Third Party (other than the Mine Project Company) of substantially equivalent exploration or exploitation rights may be deemed a Compensation Event, subject to the definition set forth in Article 1, and, if so deemed, may qualify for Convention Compensation pursuant to Article 39.

(d) Where a Project Company establishes an offset programme in the territory of the State to offset any environmental and social damage which that Project Company may cause as a result of Project Operations, then the State covenants that it shall employ reasonable efforts (*obligation de moyens*) to not do or cause or allow any Third Party to do anything which may materially damage or impair the offset programme without consulting with the affected Project Company.

(e) Where a Project Company has been responsible for or has funded the expropriation of villages or users of land such that the Project Company if granted a Project Lease, is then able to undertake Project Operations on that land and as part of the expropriation the villages or users of land are given the rights to use other land by the State, then the State will not, without the consultation with the Project Company concerned, expropriate or allow a materially adversely conflicting use to be undertaken on that land for the benefit of a Third Party.

22.3 Third Party rights to access the Project.

For the Term of the Project, the State agrees that, if it builds or grants to any Third Party a right enabling the building of any road, right of way, right to access the water resources, or any other right of any nature in any Project Area, it shall obtain the prior consent of the Project Company that holds the rights to occupy the relevant Project Area, provided that any refusal to consent by such Project Company shall only be motivated and reasoned to the extent that the grant of such rights is likely to have a Material Adverse Effect on the Project Operations carried out in the relevant Project Area, any such material interference with Project Operations may be deemed a Compensation Event, subject to the definition thereof in Article 1 hereof.

22.4 Emergency access to lands outside the Project Areas

In case of emergency, Cam Iron and any applicable Project Company, Contractor or Subcontractor shall, after having informed any competent authority thereof to the

extent possible, take any reasonable step or measure in order to prevent any imminent hazard or emergency situation of which it will be advised in the areas immediately adjacent to the Project Areas.

22.5 Prohibition on the right to sublease, assign or pledge

The Project Companies will not have the right:

- (a) to sublease all or part of the Project Areas;
- (b) to assign all or part of their rights in the Project Areas; or
- (c) to mortgage, secure, pledge, assign by way of security, or grant any other security interest over all or part of any Project Area,

except for the assignments or securities provided for under the Finance Documents,

23 WATER

23.1 Access to water resources for the purposes of the Project

- (a) The Parties acknowledge that the conduct of the Project shall require access to the water resources of the State for the industrial and human purposes of the Project and that the water in the Project Area is in pristine condition.
- (b) According to the needs specified by the relevant Project Company and to the water facilities and resources available in the relevant Project Area, the relevant Project Company can either:
 - (i) negotiate to draw, in a reasonable and conservative manner, from the operators of water facilities available in the relevant Project Area in compliance with the Legislation;
 - (ii) negotiate to receive running water supplies by way of conclusion of a distribution contract with "Camerounaise des Eaux" or any other entity validly entitled to carry out water distribution activities in the territory of the State and, in the event that the connection to the existing distribution networks requires the building of one or more facilities, be granted the possibility to build or procure the building of such facilities within the framework of an Additional Facility Request; and
 - (iii) request from the State an authorisation to exploit or procure the exploitation, on its behalf, of certain water resources in the territory of the State (including the Project Area) pursuant to a water usage agreement that will address the volume and manner of free use and standards of use, all in compliance with the Legislation.
- (c) The access referred to in Article 23.1(a) shall be granted in the context of the grant of the Additional Facility Authorisations, in accordance with the provisions of Article 19.1(g).
- (d) Regardless of the manner in which any Project Company receives water supplies and of the contracts it enters into to this end, it is expressly

agreed that:

- (i) all the water resources supplied to a Project Company or exploited by same or on its behalf, shall be exclusively intended to satisfy its needs, strictly required for the proper conduct of the Project Operations of which it is in charge (including human needs), excluding any other use with or without consideration; and
- (ii) the use of said water, for any purpose whatsoever, binds the relevant Project Company to meet the provisions of the Legislation and use water in a manner that adequately protects the water resources, and does not adversely impact existing use by Third Parties. If the building of an additional facility is necessary to enable the relevant Project Company to satisfy its obligations under this Article 23.1(d), the Additional Facility Authorisation shall be deemed delivered under the conditions determined by the relevant Project Company and reasonably satisfactory to the State.

23.2 Rates and costs relating to access to water resources for the purposes of the Project

- (a) Where the water is being supplied by a Third Party, the rates relating to the supply of water resources for the purposes of the Project shall be set and invoiced to the beneficiary Project Company by, as the case may be, "Camerounaise des Eaux" or CAMWATER in accordance with the applicable provisions of the Legislation and any applicable agreements.
- (b) However, and without prejudice to the provisions of the Legislation to such matters, where the relevant Project Company contracts with:
 - (i) a private entity (or semi-public entity Controlled by a private entity), the applicable rates shall be the negotiated market rates, as the case may be; or
 - (ii) a public entity (or semi-public entity Controlled by a Governmental Entity), the State undertakes to exercise reasonable efforts (*obligation de moyens*) to facilitate the grant of preferential rates, in compliance with the principle of non-discrimination between operators of similar scale.
- (c) As the case may be, all the Costs relating, as applicable, for connection to the distribution networks, as well as exploitation, treatment and sanitation of the water resources, including construction, operation and maintenance of the facilities built to this end, shall be fully borne by the Project Company beneficiary of the Additional Facility Authorisation.
- (d) Where, pursuant to this Article 23, an application is made to the State by a Project Company for water usage reasonably required by the Project Company for the Project, the State shall grant the authorization other than where it is in the national interest not to and the State shall not impose anything other than fees specified in Legislation or a nominal fee or charge on the application for or usage of the activity the subject of the application.

23.3 No warranty of the State

The provisions of this Article 23 shall not be construed as comprising any undertaking or warranty whatsoever from the State that the State's water resources (whether exploited or not) suffice to meet the Project requirements in terms of water and Cam Iron expressly and irrevocably waives to seek, and stands surety for all Subsidiaries, Contractors or Subcontractor not seeking, the State's liability in case of insufficient water resources for the purposes of the Project provided, however, that this absence of warranty of the State shall not extend to the contractual liability of the State or other Governmental Entities under contracts entered into by Cam Iron, a Subsidiary, a Contractor or Subcontractor with a Governmental Entity or with any other entity of which a Governmental Entity would be a shareholder.

24 POWER

24.1 Purchase and generation

- (a) The Parties acknowledge that the conduct of the Project shall require a reliable supply of power to the Project Facilities for the industrial and human purposes of the Project.
- (b) According to the needs specified by the relevant Project Company and to the power resources available in the relevant Project Area, any Project Company may either:
 - (i) negotiate to receive power supplies by way of conclusion of a supply contract with AES SONEL or any other entity validly entitled to carry out power production and supply activities in the territory of the State and, in the event that the connection to the existing transmission networks requires the building of one or more facilities, have the possibility to build or procure the building of such facilities within the framework of an Additional Facility Request;
 - (ii) request from the State an authorisation to produce, supply and consume power produced from a new Power Plant (which in the case of the Mining Operations, will be granted for generation on the Exploitation Area) and in the case of the Beneficiation Power Station, it shall file an Additional Facility Request for the building of the Beneficiation Power Station and the facilities required for the transmission and use of the power so supplied, all in accordance with the Legislation; or
 - (iii) negotiate to purchase power from any alternate supplier of its choosing (including outside the territory of the State) to which the State undertakes, as the case may be, to consider in good faith and not to unreasonably withhold all the authorisations required to undertake such power transmission and supply activities for the purposes of the Project, and the Project Companies shall also comply with the Legislation in such activities.
- (c) Notwithstanding anything in this Convention to the contrary, if the State constructs or procures from a Third Party the construction of a power station to provide power to the Project (including the Beneficiation Power Station), Cam Iron and any applicable Project Companies undertake to enter into a take-or-pay power purchase agreement for the

Term of the Project with the applicable Governmental Entity or Third Party on mutually agreeable terms consistent with practices applicable to international power production and generation plants managed by the private sector.

24.2 Rates and costs relating to access to power resources for the purposes of the Project

- (a) Where the power is being supplied pursuant to the arrangements referred to in either Articles 24.1(b)(i) or (iii) then the rates applicable to the supply of power for the purposes of the Project shall be set and invoiced to the beneficiary Project Company by AES SONEL or any alternate Third Party supplier in accordance with the provisions of the Legislation and any applicable agreement.
- (b) The provisions of Article 23.2(b) apply to power rates *mutatis mutandis*.
- (c) As the case may be, all the Costs relating, as applicable, to connection to the transmission networks and/or power production and transmission operations, including construction, operation and maintenance of the facilities built to this end, shall be fully borne by the Project Company beneficiary (or any applicable third party operator) of the Additional Facility Authorisation.
- (d) Where, pursuant to this Article, an application is made to the State by a Project Company for the use of electricity reasonably required by the Project (other than with the respect to the Beneficiation Power Station for the Beneficiation Operations, for which the provisions in this Convention and the Beneficiation Agreement shall govern), the State shall grant the authorization other than where it is the national interest not to and the State shall not impose anything for its account other than fees specified in Legislation and a nominal fee or charge on the application for or usage of the activity the subject of the application. The State will use its reasonable efforts to offer a concessional rate for any applicable leasing fees.

24.3 Third Party access to the power facilities

In the event a Project Company files an Additional Facility Request for the building of a Power Plant (other than with respect to the Beneficiation Power Station), the Project Company may, if the provider of power has a need, enter into a long-term power supply agreement with such entity in charge of supplying power in the territory of the State (including the applicable commercial rates which will ensure the Project Company achieves an appropriate return on the additional capital it is required to spend in order to produce the surplus power) and, if it agrees to set aside a portion of production in accordance with, as the case may be, the provisions of the Legislation and/or the Additional Specific Agreement or the amendment to the applicable Specific Agreement and/or the principles and practices applicable to international power production and generation plants managed by the private sector in view of a commercial exploitation. Nothing in this Convention shall require the State or the Project Company to provide any Third Party subsidised power.

24.4 No warranty of the State

Subject to the provisions of Article 22, the provisions of this Article 24 shall not be construed as comprising an undertaking or a guarantee whatsoever by the State that the State's power resources suffice to meet the power needs of the Project and Cam Iron expressly and irrevocably undertakes not to seek, and guarantees that no Subsidiary, Contractor or Subcontractor shall seek, the State's liability in case of insufficient power resources for the purposes of the Project provided, however, that this absence of a warranty of the State shall not extend to the contractual liability of the State or other Governmental Entities under contracts entered into by Cam Iron, a Subsidiary, a Contractor or Subcontractor with a Governmental Entity or with any other entity of which a Governmental Entity would be a shareholder.

25 GAS

25.1 Purchase

- (a) The Parties acknowledge that the conduct of the Project may require a supply of gas to the Project Facilities for the industrial and human purposes of the Project, in particular in case a Power Plant, requiring a gas supply, is built.
- (b) According to the needs specified by the relevant Project Company and to the gas facilities and resources available in the relevant Project Area, any Project Company may either:
 - (i) negotiate to receive gas supplies by way of conclusion of a supply contract with SNH or any other entity validly entitled to carry out gas production and supply activities in the territory of the State and, in the event that the connection to the existing transportation networks requires the building of one or more facilities, subject to applicable standards and requirements, be granted the possibility to build or procure the building of such facilities in the framework of an Additional Facility Request; or
 - (ii) purchase gas from any alternate supplier of its choosing (including outside the State) to which the State undertakes, as the case may be, not to unreasonably withhold the authorisations required to undertake such gas transmission and supply activities for the purposes of the Project. The Project Companies shall comply with the Legislation in such gas related activities.
- (c) Notwithstanding anything in this Convention to the contrary, if the State constructs or procures the construction of a gas supply facility or terminal to provide gas to the Project, Cam Iron and any applicable Project Companies undertake to enter into a take-or-pay gas purchase agreement for the Term of the Project with the applicable Governmental Entity on mutually agreeable terms consistent with practices applicable to international gas supply managed by the private sector.
- (d) Regardless of the manner in which any Project Company receives gas supplies and of the contracts it enters into to this end, it is expressly agreed that all the gas resources supplied to a Project Company shall be exclusively intended to satisfy its needs, strictly required for the proper conduct of the Project Operations of which it is in charge (including

human needs), excluding any other use with or without consideration.

25.2 Rates and costs relating to access to gas resources for the purposes of the Project

- (a) The rates applicable to the supply of gas for the purposes of the Project shall be set and invoiced to the beneficiary Project Company by SNH or any alternate supplier referred to in Article 25.1(b) in accordance with the provisions of the Legislation.
- (b) However, and without prejudice to the provisions of the Legislation where the relevant Project Company contracts with:
 - (i) a private entity (or semi-public entity Controlled by a private entity), the applicable rates shall be the negotiated market rates, as the case may be; or
 - (ii) a public entity (or semi-public entity Controlled by a Governmental Entity), the State undertakes to use its reasonable efforts (*obligation de moyens*) to facilitate the grant of preferential rates, in compliance with the principle of non-discrimination between operators of similar scale.
- (c) As the case may be, all the Costs relating to connection to the transportation networks, including construction, operation and maintenance of the facilities built to this end, shall be fully borne by the Project Company beneficiary of the Additional Facility Authorisation.

25.3 No warranty of the State

Subject to the provisions of Article 22, the provisions of this Article 25 shall not be construed as comprising an undertaking or a guarantee whatsoever by the State that the State's gas resources suffice to meet the gas needs of the Project and Cam Iron expressly and irrevocably undertakes not to seek, and guarantees that no Subsidiary, Contractor or Subcontractor shall seek, the State's liability in case of insufficient gas resources for the purposes of the Project provided, however, that this absence of warranty of the State shall not extend to the contractual liability of the State or other Governmental Entities under contracts entered into by Cam Iron, a Subsidiary, a Contractor or Subcontractor with a Governmental Entity or with any other entity of which a Governmental Entity would be a shareholder.

26 COMMUNICATIONS

26.1 Purchase and use

- (a) The Parties acknowledge that the conduct of the Project shall require the implementation of communication means for the industrial and human purposes of the Project.
- (b) According to the needs specified by the relevant Project Company and to the communication means available in the relevant Project Area, the Project Company will be able to either:
 - (i) negotiate a services agreement with CAMTEL or any other entity validly entitled to supply communication services and means in the

territory of the State and, in the event that the connection to the existing transmission networks requires the building of one or more facilities, be granted the possibility to request to build or procure the building of such facilities in the framework of an Additional Facility Request in a manner that complies with the Legislation. The State shall not unreasonably withhold its consent to such a request;

- (ii) request from the State for an authorisation to use its own satellite, wireless, optic fibre, ultra-high frequency (UHF), very high frequency (VHF) and other communication means in a manner that complies with the Legislation. The State shall not unreasonably withhold its consent to such a request;
 - (iii) file an Additional Facility Request for the building of said facilities; and
 - (iv) negotiate to enter into any services agreement with any Third Party or build the facilities itself.
- (c) Notwithstanding anything in this Convention to the contrary, if the State agrees to provide or procure the provision of communications services to any applicable Project Company, such Project Company undertakes to pay the applicable Governmental Entity for the provision of such service, to the extent provided and on mutually agreeable terms consistent with practices applicable to international communications managed by the private sector.
- (d) Where the Project Company enters into any services agreement with a Third Party supplier (including one from outside the State), the State undertakes to not unreasonably withhold all the authorisations required to undertake such communications activities for the purposes of the Project subject to such requests being in accordance with the Legislation.
- (e) Regardless of the manner in which any Project Company receives communication means and of the contracts it enters into to this end, it is expressly agreed that all the communication means made available to a Project Company shall be exclusively intended to satisfy its needs, strictly required for the proper conduct of the Project Operations of which it is in charge (including human needs), excluding any other use with or without consideration.

26.2 Rates and costs relating to access to communication means for the purposes of the Project

- (a) Where the communications are being supplied by CAMTEL or any alternate supplier, the rates applicable to the supply of communication means for the purposes of the Project shall be set and invoiced to the beneficiary Project Company by CAMTEL or any alternate supplier in accordance with the provisions of the Legislation and applicable agreement.
- (b) However, and without prejudice to the provisions of the Legislation where the relevant Project Company contracts with:
 - (i) a private entity (or semi-public entity Controlled by a private entity),

the applicable rates shall be the negotiated market rates, as the case may be, weighted according to the volumes; or

(ii) a public entity (or semi-public entity Controlled by a Governmental Entity), the State undertakes to use its reasonable efforts (*obligation de moyens*) to facilitate the grant of preferential rates, in compliance with the principle of non-discrimination between operators of similar scale.

(c) As the case may be, all the Costs relating to connection to the communication and transmission networks, including construction, operation and maintenance of the facilities built to this end, shall be fully borne by the Project Company beneficiary of the Additional Facility Authorisation.

(d) Where, pursuant to this Article, an application is made to the State by a Project Company, the State shall grant the authorization other than where it is the national interest not to and the State shall not impose for its own account anything other than fees specified in Legislation and a nominal fee or charge on the application for or usage of the activity the subject of the application.

26.3 No warranty of the State

Subject to the provisions of Article 22, the provisions of this Article 26 shall not be construed as comprising an undertaking or a guarantee whatsoever by the State that the State's communication means suffice to meet the needs for communication means of the Project and Cam Iron expressly and irrevocably undertakes not to seek, and guarantees that no Subsidiary, Contractor or Subcontractor shall seek, the State's liability in case of insufficient communication means for the purposes of the Project provided, however, that this absence of warranty of the State shall not extend to the contractual liability of the State or other Governmental Entities under contracts entered into by Cam Iron, a Subsidiary, a Contractor or Subcontractor with a Governmental Entity or with any other entity of which a Governmental Entity would be a shareholder.

27 EXPLOSIVES

27.1 Use of Explosives

The Project Companies will use significant quantities of blasting agents, both during Construction Phase and the Exploitation Phase. Operating plans will be developed to ensure that blasting agents are transported, stored, manufactured and used in a safe, secure and auditable manner and in accordance with the Central African Monetary Union, Council of Ministers, Regulation No. 2/99/UEAC-CM-654, the Legislation and international standards in relation to the manufacture, transportation, storage and use of explosives.

27.2 Explosives Agreement

The Parties acknowledge the significance of Explosives to the Construction Phase and the Exploitation Phase and as a result they have agreed that the use of Explosives is to be regulated by the Explosives Agreement and the Legislation.

28.1 Occupation and use of private land

- (a) The warranties granted to the Project Companies under this Article 28.1 award, where necessary, a right to occupy and to authorise use of the land fully owned or occupied by individuals and considered by the State and the relevant Project Company as essential for the proper conduct of the Project.
- (b) At the time of delineating any Project Area for Mining Operations or Beneficiation Operations, the occupation of which is requested by the Mine Project Company within the framework either of the conclusion of a Specific Agreement, or of a Project Lease Request or proposed Additional Specific Agreement, the expropriation of the land in such Project Area shall be governed by the Mining Code.
- (c) The Railway Agreement and Mineral Terminal Agreement shall discuss expropriation of any lands needed for the Railway Operations and Mineral Terminal Operations, but the Parties anticipate that no new land will need to be expropriated for the Mineral Terminal Operations (other than for the turn-around loop because a port facility has already been created), and expropriation of the land needed for the Railway Operations will result in the State owning such land and leasing it to the Railway Project Company.

28.2 Fees and indemnification

- (a) The Mine Project Company shall be liable to pay all indemnities due to Third Parties as a result of:
 - (i) any expropriation carried out pursuant to the provisions of Article 28.1(b);
 - (ii) any disturbance of peaceful possession, by a Third Party, of the land they occupy or the activities they conduct therein as a result of:
 - (A) the grant to such Project Company of rights to occupy this Project Area; or
 - (B) the conduct of activities in the same area; and
 - (iii) any loss or damage caused to a Third Party or their assets by a such Project Company, its Contractors or Subcontractors, including their employees,

in compliance with the provisions of Article 28.2(b).

- (b) With respect to indemnities due to Third Parties under Articles 28.2(a)(i), 28.2(a)(ii) and 28.2(a)(iii):
 - (i) the costs, indemnities and, more generally, all charges resulting from the application of measures aimed at releasing, and granting a right of enjoyment in, the taxable land are borne by the Mine Project Company; and

(ii) the Mine Project Company shall fulfil its payment obligation within thirty (30) Days following receipt of said terms and conditions for payment, expressly provided that the rights to occupy and enjoy any land granted to the Mine Project Company is conditional upon the prior payment, by the Mine Project Company.

(c) The Mine Project Company shall be liable for the payment of all fees, duties and charges incurred by any Governmental Entity in connection with the implementation and conduct of any expropriation procedure carried out pursuant to the provisions of Article 28.1(b).

28.3 Publications

The land concerned by the expropriation measure and by the indemnities paid to Third Parties (and the latter's identity) pursuant to the provisions respectively of Articles 28.1 and 28.2, shall be published in the Official Gazette, to the extent required by Legislation.

28.4 Direct right of Third Party beneficiary

Each Third Party beneficiary of the indemnities referred to in Article 28.2(a) shall be entitled to the direct benefit of the provisions of this Article 28.

29 HEALTH AND SAFETY, ENVIRONMENT AND COMMUNITY

29.1 General provisions

(a) The Parties acknowledge that the protection of the Environment and the issues of safety, health and protection of living beings and local communities are a key element of the Project.

(b) As a consequence, each Project Company, its Contractors and Subcontractors shall undertake the Project Operations of which they are in charge or for which they operate, in accordance with the provisions of this Article 29 and, in accordance with:

(i) the Legislation (including Sections 84, 85 and 87 of the Mining Code, Sections 118 and 119 of the Mining Code Implementing Decree and the laws relating to vapour and gas pressure vessels (Law n°2002/013 of 30 December 2002)) and the law relating to establishments classified as hazardous, unhealthy and uncomfortable;

(ii) that portion of the Environmental and Social Assessment and Management Plan which relates to their respective activities, and any environmental and social assessment and management plan required pursuant to the provisions of Article 19.1(b)(iv);

(iii) with respect to the Beneficiation Operations, the provisions of the other applicable Project Agreements;

(iv) Good International Industry Practice; and

(v) more generally, international standards applicable to protection of the Environment, safety, health and protection of living beings generally accepted in the mining, railway and port industries.

(c) Each Project Company shall be responsible for compliance by each Contractor and Subcontractor it uses for the purposes of the Project Operations of which it is in charge, with the obligations contained in this Article 29.

(d) Subject to Article 50.4, the State shall be entitled to exercise its Reserved Rights to rectify or prevent any actual or reasonably anticipated violation of the health, safety, environmental and other related standards set forth in the Project Agreements and such exercise, for the avoidance of doubt, shall not serve to entitle any Project Company or Cam Iron to any compensation or indemnification except in the event of a State Fault.

29.2 Environment

29.2.1 Environmental obligations

(a) Cam Iron hereby and each Project Company by the Specific Agreements, undertake to strictly perform all their respective obligations under the Environmental and Social Assessment and Management Plan and, as the case may be, any environmental and social assessment and management plan required pursuant to the provisions of Article 19.1(b)(iv). In this Article 29, any reference to the Environmental and Social Assessment and Management Plan includes any environmental and social assessment and management plan implemented pursuant to the provisions of Article 19.1(b)(iv).

(b) Each Specific Agreement shall bind the signatory Project Company to, and shall further detail, the obligations for which it is liable under the Environmental and Social Assessment and Management Plan.

(c) The Environmental and Social Assessment and Management Plan shall be revised upon mutual agreement of the Project Companies and the State to take into account the evolution of the Project and the environmental constraints attached to the Project, according to the following schedule:

(i) with respect to the obligations borne by Mine Project Company, at the time of renewal of the Exploitation Permit, if any; and

(ii) with respect to the obligations borne by the other Project Companies, on the date determined by each Specific Agreement.

(d) In order to secure the obligations it bears under the Environmental and Social Assessment and Management Plan and this Convention including in terms, inter alia, of remedying the damages it caused to the Environment, rehabilitation of the Project Area it occupies and, more generally, proper performance of its environmental obligations:

(i) the Mineral Terminal Project Company (or Cam Iron on behalf of the Mineral Terminal Project Company) shall, within ten (10) Business Days from Project Commissioning, issue a Bank Guarantee (the "**Mineral Terminal Project Company Environmental Bank Guarantee**") in an amount equal to twenty million (20,000,000) US Dollars, and shall maintain such Mineral Terminal Project Company Environmental Bank Guarantee in place until one (1) year after the expiration of the concession to operate the Mineral Terminal

Concession.

- (ii) the Mine Project Company (or Cam Iron on behalf of the Mine Project Company) shall, within ten (10) Business Days as from the commencement of ground construction in the Construction Phase of the Project Facilities shall issue a Bank Guarantee ("**Mine Project Company Environmental Bank Guarantee**") in an amount of twenty million (20,000,000) US Dollars and shall maintain such Mine Project Company Environmental Bank Guarantee until one year after the expiration of the Mining Permit; provided that at such time as the total amount of cash on deposit in the Rehab Escrow Account reaches twenty million (20,000,000) US Dollars, the Mine Project Company Environmental Bank Guarantee may be terminated or reduced.
- (e) The State may draw down on the Mineral Terminal Project Company Environmental Bank Guarantee or the Mine Project Company Environmental Bank Guarantee every time the relevant Project Company has failed to fulfil, through its own action or that of a Contractor, Subcontractor or other Third Party involved in the Project Operations of which it is in charge, its obligations under Legislation regarding protection of the Environment and health and human safety, its obligations under Article 29.2, including its obligations under the Environmental and Social Assessment and Management Plan, subject however to a prior formal notice and the Project Company not remedying the Breach Event(s) (including any outstanding payment obligations) within a reasonable time frame. The provisions of this Article 29.2.1(e) do not affect in any manner the right of each Project Company to pursue remedies against said Contractor, Subcontractor or other Third Party involved in the Project Operations of which it is in charge where it considers that party to be responsible for the Breach(s) Event for which the State has drawn down on the applicable Environmental Guarantee.
- (f) The State shall discharge whichever of Cam Iron or the Project Company which provided the applicable prior Bank Guarantee upon receipt of a certificate issued by the bank which issued such Bank Guarantee, or by a mutually agreeable substitute bank, delivering a replacement Environmental Guarantee.
- (g) It is expressly agreed that, in case of total or partial draw down of the company Environmental Guarantee, either Cam Iron or the applicable Project Company, as the case may be, undertakes that such Environmental Guarantee shall be promptly restored for its initial amount, adjusted as the case may be.
- (h) For the avoidance of doubt, it is expressly agreed that neither the existence nor the drawdown of any Environmental Guarantee shall limit the State's right of remedy against Cam Iron or any defaulting Project Company in case the amounts of such Environmental Guarantee proves insufficient to cover the amounts due by such Project Company.
- (i) Rehabilitation:
 - (A) In addition to the foregoing, in fulfilment of its obligations under Articles 130 to 133 under the Implementation Decree,

Cam Iron and the Mine Project Company shall establish an escrow account (the "**Rehab Escrow Account**") and escrow agreement (the "**Rehab Escrow Agreement**") at a bank with a physical presence in the State that is under the supervision and regulation of the State's national monetary authority, and shall make annual contributions into such escrow account commencing in the first year following Project Commissioning. Such contributions shall be in the aggregate amount equal to fifty eight million (58,000,000) US Dollars (made in ten (10) equal annual payments of five million eight hundred thousand (5,800,000) US Dollars beginning on December 31 of the year in which Project Commissioning occurs), which sum represents an estimate of the rehabilitation costs for the Exploitation Area based initially on the exploitation of the High Grade Ore, and following commencement of the Beneficiation Operations, two hundred fifty eight million (258,000,000) US Dollars (inclusive of any amounts in escrow based on the initial fifty eight million (58,000,000) US Dollar contribution) (made in fifteen (15) equal annual payments of thirteen million three hundred and thirty three thousand three hundred and thirty (13,333,333) US Dollars, beginning on December 31 of the year in which BF Commissioning occurs assuming the Rehab Escrow Account is fully funded at the time of BF Commissioning), which sum represents an estimate of such rehabilitation costs for the exploitation of all of the Mbalam Ore. The Parties shall assess the amount of annual contributions into such escrow account every five (5) years and make appropriate adjustments;

(B) The State may draw down on the funds in the Rehab Escrow Account any time the Mine Project Company has failed to fulfil, through its own action or that of a Contractor, Subcontractor or other Third Party involved in the Project Operations of which it is in charge, its obligations under Article 29.2, including its obligations under the Environmental and Social Assessment and Management Plan, and its obligations under Legislation regarding protection of the Environment and health and human safety subject however to a prior formal notice and the Mine Project Company is not remedying the Breach Event(s) (including the outstanding payment obligations) within a reasonable time frame. The provisions of this Article 29.2 shall not affect in any manner the right of the Mine Project Company to pursue remedies against said Contractor, Subcontractor or other Third Party involved in the Project Operations of which it is in charge where it considers that party to be responsible.

(C) It is expressly agreed that in case of total or partial draw down of the funds in the Rehab Escrow Account, the Mine Project Company shall promptly restore it to the amount that was in the Rehab Escrow Account immediately prior to such draw.

(j) In addition to any remedy provide in the Legislation, each Project

Company shall pay to the State any amounts provided under the Legislation in connection with: (i) any violation of the Legislation related to protection of the Environment, health or safety; or (ii) a failure to implement the Environmental and Social Assessment and Management Plan.

29.3 Health and safety

- (a) Each Project Company shall prepare, implement and comply with, and require all Contractors and Subcontractors to comply with:
 - (i) an accident prevention scheme and emergency plans to be implemented in case of loss or threatened loss that poses a risk to the Environment, personnel or to the safety of persons and Assets; and
 - (ii) appropriate and detailed procedures in order to guarantee optimum conditions for health and safety of personnel and all the Third Parties involved in the Project Operations or having a right to access the Project Facilities and/or the Project Areas.
- (b) Each Project Company, Contractor and Subcontractor shall conduct awareness campaigns on safety, health and diseases aiming at informing the personnel, Third Parties involved in the Project Operations or having a right to access the Project Facilities and/or the Project Areas and the members of communities immediately neighbouring the Project Areas.
- (c) Any accident occurring or any hazard identified within a Project Area or in the immediate surroundings thereof shall be promptly notified to the State.

29.4 Environmental Requirements

Each Project Company, Contractor and Subcontractor shall take the actions set forth in this Article 29.4 to protect the Environment, in each case, in compliance with the Legislation and standards set forth in this Convention and, to the extent not inconsistent, with Good International Industry Practice:

- (a) Prior to commencing work on the Project Area prepare and in the case of a Contractor or Subcontractor submit to the Project Company for approval waste management procedures and comply with such procedures. In particular, Project Companies, Contractors and Subcontractors shall:
 - (i) ensure that all waste is disposed of in an environmentally sensitive manner and in accordance with Legislation;
 - (ii) take all reasonable steps to minimise the release of dangerous waste into the Environment;
 - (iii) ensure that all of the Contractors' and Subcontractors' waste, litter, scrap parts and machinery are disposed of daily at a location that is approved by the Project Company and in accordance with the Legislation;
 - (iv) keep the Project Area clean and tidy to the reasonable satisfaction of

the Project Company; and

- (v) as soon as practicable and in no case more than twenty one (21) Days after the end of a contract (in the case of a Contractor or Subcontractor or the end of the Term of the Project, in the case of the Project Companies) remove all rubbish accumulated during the performance of the works, and shall leave that part of the Project Area it was operating on, in a clean and tidy condition. This obligation survives termination of this Convention;
- (b) Each of the Project Companies, Contractors and Subcontractors shall, in accordance with the standards set forth in this Convention and Legislation, minimise the dust generated or caused by operating equipment and take measures to direct dust away from any public facility or access, the public at large, or any operational personnel;
- (c) The Project Companies, Contractors and Subcontractors shall only use designated wash down areas for cleaning machinery;
- (d) The Project Companies, Contractors and Subcontractors shall take all reasonable steps to minimise the release of hydrocarbons into the Environment and each shall implement procedures to ensure that there is no spillage of hydrocarbons on the Project Area. Any soil, fill or other material contaminated by fuel or oil shall be removed from the Project Area;
- (e) The Project Companies, Contractors and Subcontractors shall confine their activities and movements and those of their personnel to that part of the Project Area on which they are designated to perform the work. The Project Companies, Contractors and Subcontractors shall ensure their personnel minimise lighting any fires, making any track or constructing any road such that will disturb the ground surface or the established flora and fauna habitats;
- (f) The Project Companies, Contractors and Subcontractors are to maintain a hazardous chemicals register. The register is to contain a list of all chemicals, fuels, oils, gases, reagents, cleaning and other hazardous fluids and other chemicals kept on the Project Area;
- (g) Storage, handling and disposal and the reporting of any related incidents shall be in accordance with the Legislation. Reporting of such incidents must be done in accordance with the Project reporting procedures; and
- (h) For the avoidance of doubt "**Good International Industry Practice**", as used in this Convention, including in this Article 29.4, shall include, as applicable, implementation of the following standards:
 - (i) the 2012 IFC Performance Standards on Environmental and Social Sustainability;
 - (ii) the IFC/World Bank Environmental Health and Safety Guidelines including the following:
 - (A) General;

- (B) Mining;
 - (C) Railways;
 - (D) Toll roads;
 - (E) Ports, Harbours and Terminals;
 - (F) Construction materials extraction;
 - (G) Waste Management Facilities; and
 - (H) Water and Sanitation.
- (iii) Voluntary Principles on Security and Human Rights;
 - (iv) The International Labour organisation (ILO) *Convention in Indigenous and Tribal Peoples in Independent Countries*, 1989;
 - (v) The United Nations *Declaration on the Rights of Indigenous Peoples*, 2007;
 - (vi) International Council on Mining and Metals' sustainable development principles, guidelines and toolkits; and
 - (vii) World Commission on Dams.

29.5 Sustainable development and community support

29.5.1 Management of the direct environmental and social impact

- (a) As the Project is located in the heart of the second largest ecological reserve in the world and in the border area with the Republic of Congo, the Republic of Gabon and the Central African Republic, the State has determined it is necessary to implement a specific planning and development program for the South and East Regions of Cameroon (the "**South and East Regions Plan**") with a view to managing the social and environmental impact resulting from the Project.
- (b) Although it is primarily the State's responsibility, the implementation of the South and East Regions Plan calls for an involvement of Cam Iron, as a corporate citizen, to prevent the risk of the adverse social and environmental impact that will be generated by the Project.
- (c) Cam Iron's joint social liability with the State shall not be deemed to relieve it of its obligations under the Environmental and Social Assessment Management Plan to address the immediate impact of the Project.
- (d) Accordingly, in addition to its other obligations under this Convention, Cam Iron undertakes to make a cash contribution of twenty million (20,000,000) US Dollars per year for five (5) years commencing on the Date of Entry into Force to finance the South and East Regions Plan.
- (e) The State has announced an overall financing commitment to implement

the South and East Regions Plan of eight hundred million (800,000,000) US Dollars and, in furtherance thereof, the State commits to contribute funds for the South and East Regions Plan in an amount at least equal to the contribution of Cam Iron set forth in the preceding paragraph and during the same five (5) year period. For avoidance of doubt, the foregoing announcement shall in no manner give rise to any claim or cause of action by Cam Iron or a Project Company against the State with respect to such funding commitment.

- (f) Contributions of Cam Iron and the State in respect of the South and East Regions Plan shall be made to a specific fund administered in a manner determined by the State that shall be set up to finance the South and East Regions Plan (the "**Special Development Fund**"). The State hereby agrees to hereinafter organize the Special Development Fund. With respect to the long term funding of the development of the area impacted by the Project, the State intends to allocate thirty percent (30%) of its portion of the base charge tariff paid by Expansion Capacity users and 30% of the lease payments it receives in connection with the Mineral Terminal Site and Railway Site to fund the Special Development Fund. For avoidance of doubt, the foregoing intention shall in no manner give rise to any claim or cause of action by Cam Iron or a Project Company against the State with respect to such funding commitment.
- (g) In addition, the Project Companies shall also contribute or shall cause Marketing Company to contribute to the Special Development Fund (which in addition to other uses may be used for university and technical educational purposes) an amount equal to 0.75% of the gross sales price of Mbalam Ore sold (whether it is sold as part of Blended Ore or otherwise).
- (h) This fund shall be managed by a "**Fund Committee**" to be implemented by the State which is to develop a plan for managing and overseeing the use of the funds in the Special Development Fund for the activities set forth in the South and East Regions Plan. The Fund Committee shall consist of a number of representatives equal to twelve (12), of which four (4) will be appointed by Cam Iron (but only during the Term of the Project), four (4) by the State, and four (4) will be appointed from among local representatives and development experts. The Parties may vary this arrangement by mutual agreement.
- (i) In addition to the Special Development Fund, Cam Iron undertakes to fund a sustainable development and community support fund pursuant to which Cam Iron or the Project Companies will contribute, (A) from the Date of Entry into Force until the Date of First Commercial Shipping, the aggregate sum of seven hundred thousand (700,000) US Dollars per year (adjusted by the Inflation Adjustment) and (B) from and after the Date of First Commercial Shipping, for the Term of the Project, contribute three quarters of one percent (0.75%) of the Project Companies' net profits after Tax to enable Cam Iron and the Project Companies to carry out environmental and community support programs within the framework of the sustainable development undertakings entered into under the Environmental and Social Assessment and Management Plan.
- (j) The Parties agree that all amounts expended from any fund established in accordance with this Article should be audited.

- (k) The Parties will agree on a protocol to manage the Special Development Fund and Fund Committee to ensure there is clarity and transparency with respect to the formation, operation and accountability of both the Special Development Fund and the Fund Committee.

29.5.2 Protection of Biodiversity and Sustainable Development of UFA 10-034.

- (a) Given the contiguous perimeter of the Exploitation Area with that of the Forest Management Unit ("FMU") No. 10-034, the Parties agree to include this FMU as an important part of the biodiversity conservation and sustainable development component of the Project. The Parties shall enter into a convention that shall detail the basis for the management and operation of activities within the FMU ("**Conservation Convention**") and, without limiting the Conservation Convention it shall include provisions dealing with:

- (i) the conservation of the FMU as a biodiversity area and the preservation of all carbon credits associated with the FMU for the benefit of the Project Companies;
- (ii) the establishment of an ecotourism facility within the FMU; and
- (iii) the protocols for securing the FMU and dealing with trespasses.

- (b) The State shall:

- (i) not unreasonably withhold its consent to a request to issue to Cam Iron the necessary authorizations for such conservation activity after the Signature Date; and
- (ii) use its reasonable efforts to do all that might be reasonably necessary from time to time to enable the Project Companies to utilize the carbon credits associated with the FMU.

- (c) Cam Iron will, in accordance with the Conservation Convention, submit to the State a plan for conservation and sustainable management of the FMU 10-034. Cam Iron shall also (i) pay an annual fee of two thousand (2,000) CFA Franc per hectare from the Date of Entry into Force until the date of Project Commissioning and three thousand (3,000) CFA Franc per hectare from and after the date of Project Commissioning, in each case, into a fund established pursuant to the Conservation Convention, and (ii) to fund the expenses related to such conservation.

- (d) Further, Cam Iron will fund its conservation activities within the FMU.

- (e) All funds generated by, after offsetting the reasonable costs of, ecotourism activities in the FMU shall be transferred to the Special Development Fund.

- (f) Where for the purposes of any Legislation the Project Companies are required to obtain carbon credits for their activities then the Project Companies may source those carbon credits from the FMU at no cost.

30.1 Applicable standards

The Project Companies shall conduct and ensure that their Contractors and Subcontractors conduct the Project Operations of which they are in charge in accordance with, among other applicable standards, Legislation, the Environmental and Social Assessment and Management Plan, the Operating Standards and Good International Industry Practice with respect to the mining (exploitation and processing), railway, port and other applicable industries, with consideration of the scale of the Project.

30.2 Administrative supervision

- (a) For the Term of the Project, the State has the right to audit and inspect for all the Project Operations as contemplated in Article 30.2(b)(i) and all other operations, activities and assets of the Project Companies. This right is exercised either by mining officials, or by authorised and qualified representatives of the State's tax administration, or by customs agents appointed for that purpose, by other representatives of the State or by consultants authorised by the State (the "**Auditors**").
- (b) The purpose of the administrative supervision referred to in Article 30.2(a) is to control the technical regularity of the conduct of the Project Operations and in particular the conditions:
 - (i) of conduct, by each Project Company, Contractor, Subcontractor or Subsidiary of the Project Operations of which it is in charge;
 - (ii) of compliance, by any Project Company, Contractor, Subcontractor or Subsidiary with its obligations under the Environmental and Social Assessment and Management Plan;
 - (iii) of preservation of public safety, safety and health of the personnel; and
 - (iv) of compliance with the Project Agreements and the Legislation.
- (c) In addition, the State has the right to cause the records and books of account relating to the Project Operations to be examined by the Auditors, in accordance with the provisions of an accounting procedure to be agreed to by the Parties prior to the Date of Entry into Force.
- (d) It is understood that the Auditors shall have the right to, inter alia:
 - (i) access and inspect at any time the sites, premises, facilities, works, vehicles, ships, aircraft, machines and other equipment (in particular the devices for counting and measuring the Sale Products with regard to mining sites) used for the purposes of the Project Operations and subject to presentation of a sheet of the regulatory form delivered by the Ministry in accordance with the provisions of Section 101 of the Mining Code;
 - (ii) examine and receive copies or extracts of documents, reports and other documents relating to the Project Operations;

(iii) witness during the period up to Project Commissioning, all material tests, trials and controls initiated by any Project Company, and the Project Companies shall use its reasonable efforts to notify the State of all such material tests, trials and controls at least seven (7) Days prior to their commencement (except where the nature of the test requires less notice), and the State will use its reasonable efforts (*obligation de moyens*) to notify the relevant Project Company of its plans to participate; and

(iv) carry out any examination and investigation to make sure the provisions of the Legislation and those of this Convention and the Project Agreements are complied with.

(e) At least fifteen (15) Days prior to the commencement of any administrative and technical supervision or financial audits under this Article 30, the State shall inform the relevant Project Company of the conduct of such audits, their purpose, the Auditors' identity and the duration of such operations and audits. In the performance of their duties, the Auditors shall comply with all the internal rules and procedure in force with the Project Company during their stay in the latter's premises and facilities, provided that such an obligation shall not hinder their task. The State will use reasonable efforts (*obligation de moyens*) to notify the Project Companies in advance of audits but has the right to forgo such notice and conduct surprise audits.

(f) Before undertaking an audit as provided in this Article 30.2, the State shall ensure that the Auditors advise the chairman of the Joint Committee of the pending audit and the chairman shall use reasonable efforts (*obligation de moyens*) to ensure that the Auditors do not create an unreasonable administrative burden on the Project Operations.

(g) At least fifteen (15) Days prior to the commencement of any administrative and technical supervision or financial audit undertaken pursuant to the terms of the Finance Documents, the relevant Project Company shall keep the State abreast of the time table for said audits, of their purpose, and of the duration of these audits.

(h) The relevant Project Company shall supply all necessary assistance to the Auditors and shall put at the Auditors' disposal, the reasonable material means required to enable the Auditors to fulfil their duties. The relevant Project Company shall abide by any reasoned measures for which it is notified during the inspection operations or after such operations (including the installation, at its expense, of equipment aiming at preventing or remedying any likely hazard, attributable to the Project Operations, to public safety, its personnel, the Environment, archaeological sites and reserves, classified reserves, public buildings, sources of water and groundwater and public roads); provided that the measures in question have been discussed in the presence of the Parties.

(i) The relevant State ministry(ies) shall oversee the drafting of a mutually agreeable manual describing the procedures applicable to all Project Areas, which will reiterate the provisions of this Article 30 and detail the frequency at which the Auditors can undertake the operations described above, which are not to exceed :

(i) one (1) time per Calendar Year for tax audits;

- (ii) two (2) times per Calendar Year for customs audits; and
- (iii) one (1) time per Quarter for any other audits,

unless the State has, in good faith, formed the view that an unscheduled audit is justifiable.

30.3 Reports

(a) In addition to any other reports required by the Legislation, the Mine Project Company shall provide to the Minister the activity reports relating to the Mining Operations in accordance with the provisions of the Mining Legislation, that is to say as of the date of this Convention:

- (i) at the latest the fifteenth (15th) Day of each calendar month following Project Commissioning, a detailed report on the production of Mbalam Ore and, as the case may be, the Blended Ore and the Beneficiated Ore, including all details on the quantity and value of the Products so generated during the preceding calendar month;
- (ii) at the latest on the ninetieth (90th) Day after the conclusion of each Calendar Year after which the Date of Entry into Force has occurred:
 - (A) a report containing details on all the works undertaken in connection with the Exploitation Permit, in particular the details relating to the production of all Products, the development works, exploration works and other useful information in terms of geology and mining resources in the Exploitation Area and (B) any information required specifically for mining companies listed on the Australian Securities Exchange in respect of the reporting of resources and reserves, even though the Mine Project Company may not be listed on that exchange; and
- (iii) prior to March 31 of each Calendar Year after which the Date of Entry into Force has occurred, a statistical report for each permit and authorization comprising:
 - (A) the number of the mining permit or authorization;
 - (B) the date of establishment or renewal;
 - (C) an analytical summary of the progress report of the works carried out during the previous year;
 - (D) an executive geological and mining report illustrated by an appropriate plan;
 - (E) the number of staff working Days;
 - (F) the weight, nature and content of extracted raw materials;
 - (G) the weight, nature and content of obtained market minerals;
 - (H) the weight, nature and content of various consignments of exported minerals indicating the places and dates of dispatch and delivery;

- (I) a report of stocks of raw products and market products as at 31 December;
- (J) the list of accidents which have led to more than 4 (four) Days of industrial disability; and
- (K) the volume, in the case of the geothermal deposit, spa or thermo-mineral waters as concerns the statistics required for sub-sections (F), (G), (H) and (I) above must be provided.

(b) Each Project Company shall also provide, within the time-limits set forth in the Legislation:

- (i) the status of implementation of the Environmental and Social Assessment and Management Plan; and
- (ii) the audited financial statements of each respective Project Company prepared by the Independent Accountant.

(c) The Mine Project Company shall also provide, in form reasonably satisfactory to the Minister, reports with respect to minerals reserves and resources, compliant with JORC, NI-43-101, SAMREC or other mutually agreeable standards.

(d) The obligations of the other Project Companies in terms of preparation and submission of reports to the State as specified in each Specific Agreement and include, notably, the provision of the audited financial statements within the time-limits set forth in the Legislation.

30.4 Measures

Each Project Company shall adopt procedures for counting and measuring the Sale Products (including tonnage, content, granulometry and metallurgical content) in line with the practices generally accepted in the international iron ore industry with a view to drawing up the reports and calculating the fees referred to in Article 34.1. To the extent feasible, the Project Companies shall use automated devices for these procedures, which will need to be certified by an independent expert in such certifications. A certificate of authenticity shall be issued to this effect by the laboratory of the Ministry or any laboratory approved by the Minister. The Project Companies, Contractors and Subcontractors shall maintain all physical books and records related to the Project (other than with respect to environmental, health and safety matters) for a period of five (5) years and all electronic records and physical records relating to environmental, health and safety matters shall be maintained throughout the Term of the Project and five (5) years thereafter, as each such period may be extended as required by Legislation.

30.5 Joint Committee

30.5.1 Creation of the Joint Committee

Within thirty (30) Days following the Date of Entry into Force, the committee described in this Article 30.5 (the "**Joint Committee**") shall be established for the Project.

30.5.2 Composition of the Joint Committee

- (a) The Joint Committee shall initially be composed of ten (10) members and thereafter may be modified upon agreement of the Project Companies and the State:
- (i) for Cam Iron, half of the total representatives, each assisted by an alternate, as the existing Project Companies during the Term of the Project and representatives having specific expertise in terms of health, safety and Environment, finance and administration and port and human resources, who shall be designated by Cam Iron in agreement with the Project Companies, and among whom Cam Iron shall elect a principal representative (the "**Cam Iron Representative**"); and
 - (ii) for the State, half of the total representatives and alternates as those appointed for their specific expertise in terms of mining, finance and customs, employment law and immigration, Environment, port and transportation, notably by rail, who shall be designated by the State, and among whom the State shall elect a principal representative (the "**State Representative**").
- (b) The alternates appointed by a Party shall act only in case the representatives designated by said Party are unavailable. Each Party is entitled to replace its representatives or alternates at any time by giving written notice to the other Party of such replacement.
- (c) The State and Cam Iron may arrange for a reasonable number of members of their personnel to take part in meetings of the Joint Committee. However, only the persons appointed as representatives of the State and of Cam Iron, or, in their absence, their alternates, shall have a right to vote on the Joint Committee and be included for purposes of determining the budget for the Joint Committee. Each permanent representative or, in the absence of a permanent representative, his or her alternate representative, shall have one (1) vote and shall be deemed to be authorized to represent and to bind the Party that appointed it on any subject within the competence of the Joint Committee. Any person attending the meetings of the Joint Committee shall be under a strict obligation of confidentiality with regard to the discussions, the questions raised and the information disclosed. Nevertheless representatives of the State and of Cam Iron shall have the right to debrief their respective principals and advisors on the discussions and questions raised. Disclosure of confidential information as required by the Legislation or other applicable law shall not be a violation of this restriction, and confidential information may be disclosed to the extent that it: (i) is or becomes generally available to the public or in the industry other than as a result of a disclosure by the recipient in breach of this Convention; (ii) was within the possession of the recipient or the Party with which that recipient is affiliated prior to its being furnished to the recipient, provided that the source of such information was not bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the provider with respect to such information; (iii) is or becomes available to the recipient or the Party with which that recipient is affiliated on a non-confidential basis from a source other than the provider, provided that such source is not bound by a confidentiality

agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the provider with respect to such information; or (iv) was independently developed.

30.5.3 Competence of the Joint Committee

- (a) The Joint Committee shall examine all matters put on its agenda with respect to the orientation, programming and control of the conduct of the Project Operations. Within this framework, the Joint Committee is empowered to:
 - (i) review and provide any comments on the annual work programs and related budgets in accordance with the provisions of Article 9.3 as well as any potential modifications thereof;
 - (ii) control the execution of the budgets for the Joint Committee;
 - (iii) decide on the matters which it is expressly meant to deal with under this Convention; and
 - (iv) be consulted about key appointments to the management of the Project Companies.
- (b) Each Project Company shall submit its proposals to the Joint Committee concerning:
 - (i) the annual works programs and related budgets of such Project Company;
 - (ii) any modifications to be made to such annual works programs and related budgets of such Project Company;
 - (iii) matters needing determination under this Convention; and
 - (iv) key appointment to the management of Project Companies.
- (c) The members of the Joint Committee consult one another on the matters submitted to them in order to reach a unanimous decision. When a matter is not decided unanimously during a meeting of the Joint Committee, the examination of such matter shall be postponed to a subsequent meeting of the Joint Committee which shall take place, as convened by Cam Iron, at least ten (10) (but no more than forty five (45)) Days following the date of the first meeting. During this period, the Parties shall meet and Cam Iron shall provide all information and details as may be required by the State in its capacity as a member of the Joint Committee. If, during the subsequent meeting, the members of the Joint Committee do not reach an agreement on the decision to be made, minutes of the meeting must be prepared in order to expose the position taken by each Party.
- (d) The role of the Joint Committee with respect to the matters referred to in Article 30.5.3(a)(iv) is merely one on which it is to be consulted, and no decision of the Joint Committee shall be required.

30.5.4 Meetings of the Joint Committee

- (a) The Joint Committee shall meet at any time at the request of the State Representative or the Cam Iron Representative and at least twice (2) per Calendar Year. Notices of meetings of the Joint Committee will be sent to the members thereof by the Party that took the initiative for the meeting, at least thirty (30) Days before the anticipated date of the meeting. Every notice of meeting shall contain an indication of the date, time and place of the planned meeting and the proposed agenda of such meeting. Meetings of the Joint Committee will be held in Yaoundé, Cameroon, or another location agreed to by the Cam Iron Representative and State Representative.
- (b) When Cam Iron takes the initiative to call a meeting, it shall provide the State Representative within a period of at least fifteen (15) Days before the anticipated date of the meeting, with all the items of information necessary for the taking of decisions at the meeting.
- (c) Each of Cam Iron Representative and the State Representative shall be entitled to add subjects to the agenda, subject to giving notice thereof to the other representative at least fifteen (15) Days before the anticipated date of the meeting. No decision may be taken at a meeting of the Joint Committee on a subject that has not been included on the agenda for the meeting in advance, unless otherwise agreed to by each of the Cam Iron Representative and the State Representative.

30.5.5 Consultation

- (a) At any time before the Joint Committee is referred to assist in the making of a decision as provided under Article 30.5.3, a Party's representative may submit the matter to the other Party's representative who has the expertise required to examine the matter and such representatives shall endeavour to determine the matter before submitting it to the Joint Committee.
- (b) Where the matter referred to in Article 30.5.5(a) is substantial, it shall be referred to the State Representative who, after having consulted with the Cam Iron Representative, may refer the matter to the Joint Committee for examination.

30.5.6 Sub-committee

The activities of the Joint Committee may be referred to a sub-committee.

30.5.7 Chairing and secretariat

Meetings of the Joint Committee will be chaired by the State Representative. The Cam Iron Representative will act as secretary and a member of the Joint Committee appointed by the State will act as deputy secretary.

30.5.8 Minutes

The secretary and the deputy secretary of the Joint Committee shall prepare written minutes of each meeting and shall send a copy thereof to the State Representative and the Cam Iron Representative within fifteen (15) Days of the date of the meeting, for approval or comments, and the State Representative and Cam Iron Representative

will respond to the comments of the other Party's representatives will respond within a reasonable time period.

30.5.9 Decision without meeting

- (a) Any question may be submitted to the Joint Committee for a decision without giving rise to a formal meeting of the Joint Committee, for example, in the event of an emergency, on the condition that the Party taking this initiative transmits the question to the other Party in writing. In this event, each of the Parties must inform the other of its vote within twenty (20) Days of receipt of the said question, unless the question submitted to the vote requires a decision to be made within a shorter period, which period, save in urgent cases, shall reasonably provide for notice and opportunity to respond (not to exceed the twenty (20) Days noted above). The absence of a response from a Party on the question under discussion shall be deemed to represent a negative vote.
- (b) Any decision adopted by the Parties according to the terms and conditions provided by Article 30.5.9(a), shall have the same value as a decision adopted in the context of a formal meeting of the Joint Committee.

30.5.10 External specialists

The Joint Committee may decide to hear any person whose interview is requested by one of the Parties. Each Party may also, at its own expense, arrange for meetings of the Joint Committee to be attended by external specialists of its choice, on condition that it obtains a confidentiality undertaking from such specialists.

30.5.11 Funding of Joint Committee

- (a) At least forty-five (45) Days prior to the beginning of each Calendar Year, Cam Iron shall, in consultation with the State, send to the State a proposal for funding the Joint Committee for the following Calendar Year, on the basis of the estimated operational costs, including the daily compensation of the State Representatives.
- (b) The State, within forty-five (45) Days following receipt of the aforementioned proposal, shall:
 - (i) accept this proposal; or
 - (ii) provide its comments and recommendations to Cam Iron.
- (c) In case of the State's failure to respond within the aforementioned period, the State shall be deemed to have accepted the proposal.
- (d) In case of a disagreement between the State and Cam Iron, the Parties undertake to seek an agreement on the funding of the Joint Committee. In the absence of an amicable settlement within sixty (60) Days following receipt of the State's comments and recommendations, the amount of the Joint Committee's budget for the contemplated Calendar Year shall be equal to the higher of: (i) the sum of one hundred percent (100%) of the prior Calendar Year's budget plus the Inflation Adjustment; or (ii) the amount proposed by Cam Iron, the Parties will also discuss a method of

paying per diems to such members of the Joint Committee.

- (e) The Mine Project Company shall fund the approved budget of the Joint Committee.

30.6 Transparency

- (a) In order to ensure the State can properly discharge its rights to monitor the activities associated with the Project, it is agreed between the Parties that the following agreements will be entered into:
 - (i) Monitoring Agreement - Blending;
 - (ii) Monitoring Agreement – Marketing; and
 - (iii) Monitoring Agreement- Treasury.
- (b) The Parties will enter into or otherwise arrange for the provision of any documents necessary for the Project Companies and their parent companies to comply with applicable provisions of Australian legislation regarding any payments received on account of service on the Joint Committee.

31 BANK GUARANTEES

31.1 Issue of Bank Guarantees

- (a) Cam Iron (or the Mine Project Company) will cause a Bank Guarantee (“**Mine Project Company General Bank Guarantee**”) to be issued for the benefit of the State in an amount of twenty million (20,000,000) US Dollars (subject to the Inflation Adjustment) and to be available for draw in the event that the Mine Project Company is obliged to pay to the State for breaches of its obligations under the Project Agreements (other than environmental breaches) occurring on and from the Date of Entry into Force until one (1) year after the date Project Commissioning occurs.
- (b) The State shall release any Bank Guarantee provided in Article 31.1(b). The State shall release the Mine Project Company **General Bank Guarantee** if the State has made no payment request under the terms of the Mine Project Company **General Bank Guarantee** upon the expiration of the term the Mine Project Company is required to maintain the Mine Project Company **General Bank Guarantee**.
- (c) If one or more of the conditions described in Article 31.1(b) have not been met for either Cam Iron or the Mine Project Company, the term of any Bank Guarantee shall be extended for one (1) or several successive one (1) year periods until all of the conditions referred to above have been met, it being understood that the fulfilment of such conditions will be assessed only at the end of each aforementioned one (1) year period.
- (d) Pursuant to Article 54.2, each of the Railway Project Company, the Mineral Terminal Company and other applicable Project Company shall cause Bank Guarantees to be issued for the benefit of the State.

31.2 Issuer of Bank Guarantee

For the purposes of Articles 29 and 31 a Bank Guarantee must be issued by a bank with an Acceptable Bank Rating.

31.3 Bank Guarantee Claims

- (a) Each Bank Guarantee issued on behalf of any Project Company must guarantee:
 - (i) payment of any damages and reimbursement of any mitigation or cure expenses incurred by the State for violations of a Project Agreement by the respective Project Company, its Contractors and Subcontractors;
 - (ii) the resolution of all issues associated with the reservations potentially issued by the State at the time of the transfer to it by the Railway Project Company and Mineral Terminal Project Company respectively of those Assets which each is to transfer pursuant to Articles 12.2.1 and 13.4; and
 - (iii) the payment of any penalties owed by such Project Company in accordance with the provisions of Article 50.
- (b) The Bank Guarantee must guarantee the payment of any penalties owed by Cam Iron or the Project Companies in accordance with the provisions of Article 50.
- (c) In the event of a total or partial claim on a Bank Guarantee, Cam Iron or Project Company that caused the issue of the Bank Guarantee shall immediately replenish such Bank Guarantee at its initial amount as soon as possible, with updated amounts, as the case may be.
- (d) For the avoidance of doubt, neither the existence nor a claim to any Bank Guarantee shall limit the State from submitting a claim against the Project Companies in the case where the amounts guaranteed happened to be insufficient to fully meet the obligations of a Project Company in accordance with this Article 31.3.
- (e) The State shall not be required to subordinate its rights under any Bank Guarantee to any Lender or Third Party.
- (f) Bank Guarantees shall be specific to the Project Company delivering them and shall not also cover obligations of other Project Companies unless expressly provided for.

32 PERSONNEL

32.1 Scope of the Collective Bargaining Agreement

- (a) The Project Companies and their Affiliates incorporated as Cameroonian Companies shall apply the Collective Bargaining Agreement to their Cameroonian employees.
- (b) The Project Companies' Contractors and Subcontractors which are

incorporated as Cameroonian Companies shall have the choice to enter into and apply the Collective Bargaining Agreement to their employees who are specifically used to carry out services in connection with the Project.

- (c) The Project Companies' Affiliates operating in Cameroon, Contractors and Subcontractors which are incorporated as foreign (i.e. non-Cameroonian) companies shall have the choice to enter into and apply the Collective Bargaining Agreement to their employees who are specifically used to carry out services in connection with the Project. The Cameroonian employees of the Project Companies' foreign Affiliates, Contractors and Subcontractors incorporated as foreign companies shall be granted employment terms and conditions not less favorable than those provided for in the Collective Bargaining Agreement.

32.2 Scope of Article 32

- (a) The provisions of this Article 32 shall apply to the Project Companies and their Affiliates incorporated in Cameroon.
- (b) The following provisions of this Article 32 shall apply *mutatis mutandis* to the Project Companies, Contractors and Subcontractors, irrespective of whether such entities are incorporated as Cameroonian Contractors or Cameroonian Subcontractors or foreign entities operating in Cameroon:
 - (i) provisions relating to priority given to Cameroonian nationals as set forth in Article 32.3;
 - (ii) provisions on working time and annual leaves as set forth in Article 32.8 for their Cameroonian employees and for employees whose work contract is subject to Legislation, it being specified that work contracts of foreign employees working on Rosters during the Construction Phase shall not be required to be subject to Legislation;
 - (iii) general employment provisions as set forth in Article 32.10;
 - (iv) HSECS provisions set forth in Article 32.11; and
 - (v) application process for Immigration Documents for Foreign Personnel as per Article 32.12.
- (c) The following provisions of this Article 32 shall apply in accordance with their terms to the Main Contractors and Main Subcontractors of the Project Companies which operate in Cameroon:
 - (i) provisions on priority given to Cameroonian nationals as set forth in Article 32.3;
 - (ii) provisions on quotas set forth in Article 32.4;
 - (iii) provisions on professional training and transfer of know-how as set forth in Article 32.5 (excluding, for the avoidance of doubt, the financing obligations in Article 32.6);
 - (iv) provisions on working time and annual leaves as set forth in

Article 32.8 for their Cameroonian employees and for employees whose work contract is subject to Legislation, it being specified that work contracts of foreign employees working on Rosters during the Construction Phase shall not be required to be subject to Legislation;

- (v) general employment provisions as set forth in Article 32.10;
- (vi) HSECS provisions set forth in Article 32.11; and
- (vii) application process for Immigration Documents for Foreign Personnel as per Article 32.12.

(d) Consequently, the Project Companies shall require in their contractual arrangements with their Contractors operating in Cameroon that the latter comply with the above provisions, and that such Contractors shall impose the same obligations on their Subcontractors operating in Cameroon (and on their own subcontractors operating in Cameroon, if applicable) so as to give full effect to this Article 32.2.

32.3 **Priority to Domestic Employment throughout the Term of the Project**

(a) Throughout the duration of the Project, the Project Companies, the Contractors and Subcontractors undertake to give priority to the employment of Cameroonian nationals, subject to their availability at the time of recruitment and required level of qualification and professional experience. For the avoidance of doubt, in making this assessment, the Project Companies shall not discriminate against Cameroonian nationals based on the work conditions applicable to them pursuant to Article 32.11. The Project Companies shall procure that their Contractors and Subcontractors shall comply with this obligation.

(b) Accordingly the Project Companies, the Contractors and Subcontractors shall recruit their operational staff working on the Project in Cameroon as follows:

- (i) from the local Cameroonian nationals residing in the region of the Exploitation Area, Mineral Terminal Area and Railway Area throughout the duration of the Project;
- (ii) from the ranks of the construction contractor's Cameroon national construction workforce; and
- (iii) throughout Cameroon and from the international Cameroon diaspora.

(c) The Project Companies undertake to timely provide the Labor Committee with details on the workforce (number, level of qualification, etc.) that shall be needed to carry out all the major construction and operation-related works of the Project for the Labor Committee to be in a position to assist in sourcing local Cameroonians for such works.

(d) Where Cameroonian nationals with the required level of qualification and professional experience cannot be identified or are not available, foreign nationals may be recruited.

32.4 Quotas

- (a) The Parties acknowledge that their joint intention is each Project Company and the Main Contractors and Main Subcontractors achieve during the Exploitation Phase the following minimum quotas of Cameroon nationals among their employees located in Cameroon and working on the Project:
- (i) for managerial positions: at least fifty percent (50%) of national employees five (5) years after the beginning of the Exploitation Phase, ramping up to sixty percent (60%) of national employees seven (7) years after the beginning of the Exploitation Phase;
 - (ii) for supervisory positions: at least 60% of national employees three (3) years after the beginning of the Exploitation Phase and seventy-five percent (75%) of national employees seven (7) years after the beginning of the Exploitation Phase; and
 - (iii) for unskilled positions: at least eighty-five percent (85%) of national employees three (3) years after the beginning of the Exploitation Phase.
 - (iv) ten (10) years after the beginning of the Exploitation Phase, ninety percent (90%) of all categories of employees shall be Cameroonian nationals.
- (b) The quotas above shall be calculated by taking into account the workforce at the level of the Project Company and, based on the full time equivalent, the part of the workforce of the Main Contractors and Main Subcontractors who are employed or used for the purpose of the Project as identified in the "safety and accident prevention plan" required by the Project Companies from the Main Contractors and the Main Subcontractors.
- (c) The Parties acknowledge that the above quotas are non-binding targets but that it is in their best interest to maximize the Cameroonization of the workforce involved in the Project and that the undertakings relating to professional training and financing thereof set forth in Articles 32.5 and 32.6 are given in order to further such joint interest.

32.5 Professional Training and Transfer of Know-How

- (a) The Project Companies shall, from the beginning of the Construction Phase and throughout the Exploitation Phase, provide a budget as indicated in Article 32.6(a) below and deliver or require the Main Contractors and/or Main Subcontractors to deliver professional ongoing training programs on (i) health, safety and risk management and (ii) trades required for the Exploitation Phase of the Project, with a view to maximizing the Cameroonization of the workforce and more generally to providing development and careers opportunities for their Cameroonian workforce.
- (b) Accordingly each Project Company undertakes to implement or require the Main Contractors and/or Main Subcontractors (except those in charge of construction during the Construction Phase) to implement, in close

cooperation with the competent departments of the State, professional training structures and programs for its Cameroonian workforce in the business segment in which it operates for the Exploitation Phase of the Project.

- (c) If required and in order to assist the Project Companies in implementing or causing the implementation by the Main Contractors and/or Main Subcontractors of the contemplated training programs, the State and the Project Companies (and their Main Contractors and/or Main Subcontractors) shall agree upon the technical requirements that shall be referenced for an individual to be officially recognized as a qualified professional in any trade relevant to the Exploitation Phase of the Project.

32.6 Financing of Professional Training and Transfer of Know-How

- (a) The Project Companies commit to a minimum training budget as follows, which they will use directly or through their Main Contractors and/or Main Subcontractors:

- (i) during the Construction Phase, a minimum amount of seven (7) million US Dollars in aggregate, which shall be broken down into two million (2,000,000) US Dollars per year during the first two (2) years of the Construction Phase and three million (3,000,000) US Dollars for the third (3rd) year of the Construction Phase, it being agreed by Cam Iron that should the Construction Phase extend beyond three (3) years, it shall commit to renew the training budget for an amount not less than two (2) million US Dollars per year calculated pro rata per month of extension; and
- (ii) during the first ten (10) years of the Exploitation Phase, an amount of three million (3,000,000) US Dollars in aggregate per year.

- (b) At the end of the tenth (10th) year of the Exploitation Phase, the Project Companies shall convene with the State and submit a report in writing outlining the detail of the number of their respective domestic and foreign employees who work on the Project at such time, with a view to assessing whether the quotas set forth in Article 32.4(a) and calculated in accordance with Article 32.4(b) are fulfilled at the level of each Project Company at such time. In the event the quotas set forth in Article 32.4(a) are not fulfilled at the end of the tenth (10th) year of the Exploitation Phase at the level of each Project Company, the Parties shall agree on methods to achieve such quotas within an agreed timeframe and on the corresponding budget.

- (c) The training budget set forth in Articles 32.6(a)(i) and 32.6(a)(ii) shall be divided equally between internal fifty percent (50%) and relevant external fifty percent (50%) training. Internal training shall include: professional training centers within the Project Companies, scholarships for staff or prospective staff with potential to undertake specific undergraduate and post-graduate university courses linked to the Project Companies' business needs and internships within the Project Companies (and/or their Main Contractors and Main Subcontractors). External training may include setting up or contributions to trade academies linked to the Project Companies' activities.

32.7 Annual Report

The Project Companies shall provide the Labor Committee with an annual report outlining the detail of the number of domestic and foreign employees who have worked on the Project for the past year and anticipated number thereof for the coming year, together with details on the training programs that were and shall be implemented.

32.8 Working Time and Annual Leave

- (a) The Parties recognize the need for the Project Companies, the Contractors and Subcontractors to have the flexibility to organize different Shifts, Rosters, rest and annual leave arrangements in order to meet their various operational requirements of the Project, which should however not prejudice the safety and well-being of their employees. The State shall use its reasonable endeavors to facilitate the implementation of the flexibility required for continuous operation of the Project as per the provisions of this Article 32.8.
- (b) Accordingly, the Project Companies, Contractors and Subcontractors, shall be authorized to implement Shifts and Rosters under the following conditions:
 - (i) their respective employees shall not work Shifts extending beyond twelve (12) hours a Day;
 - (ii) their respective employees shall not work in excess of sixty (60) hours a week on average over a full Roster period and that every fourteenth (14th) Day during such rotation period is a Business Day; and
 - (iii) any work period within a Roster does not exceed eight (8) weeks during the Exploitation Phase.
- (c) Should the Project Companies, the Contractors or the Subcontractors, require Shifts and Rosters to be implemented in excess of the terms and conditions set forth in the preceding paragraph, the State shall consider how such flexibility could be implemented, in particular as regards the work inspector authorizations for overtime and, subject to the interest of the Cameroonian workforce, shall facilitate such flexibility.
- (d) During the Construction Phase, annual leaves for employees under a Roster may be considered taken during weeks off and details thereof shall be set forth in their respective employment contracts.

32.9 Labor Committee on Recruitment and Training

A Labor Committee on Recruitment and Training (the "**Labor Committee**") shall be established by the State and Cam Iron prior to the Construction Phase and for the Term of the Project.

- (a) The different roles of the Labor Committee are the following:
 - (i) assist in sourcing Cameroonian employees for all lines of work having to be carried out by the Project Companies (and their

Affiliates, Contractors and Subcontractors, as applicable) in connection with the Project and issue "deficiency certificates" ("*certificats de carence*") in cases where suitably qualified and experienced Cameroonian employees were not available, so as to facilitate and help speed up the issuance of the necessary Immigration Documents;

- (ii) review annual reports from Cam Iron on its and the other Project Companies' record, with respect to recruitment, training and labor relations;
 - (iii) collect feedback from the State on the State's expectations and assessment of Cam Iron's and the other Project Companies' performance with respect to recruitment, training and labor relations;
 - (iv) review the performance of the Project on recruitment, training and labor relations with respect to compliance with (i) Legislation; (ii) the Convention; and (iii) the Collective Bargaining Agreement;
 - (v) promote communication between the Project Companies (and any other entity having signed to the Collective Bargaining Agreement), the trade unions and the State on labor relations matters and assist in the voluntary and without prejudice mediation of any labor-related disputes when requested by Cam Iron or a Project Company;
 - (vi) assist in the establishment of training arrangements between the Project Companies (Contractors and Subcontractors) and academic and vocational training institutions in Cameroon;
 - (vii) establish the Protocol relating to the process and issuance of Immigration Documents as provided in Article 32.12(c);
 - (viii) review the training programs designed to meet or improve the progressive quotas for national staff set forth in Article 32.4(a);
 - (ix) audit the implementation of the training programs;
 - (x) review the budget allocated to training programs as defined under the Convention; and
 - (xi) provide advice and recommendations to the Project Companies (and their Contractors and Subcontractors) to facilitate the establishment, training and long-term employment of a skilled and harmonious workforce and the maintenance of good labor relationships.
- (b) The Labor Committee shall be composed of an equal number of State and Project Company representatives and shall be chaired by a State representative. The State representatives shall be representatives of relevant labor and employment ministries, and shall also include a representative of the Immigration Department. There shall be a representative of each Project Company (Mining Project Company, Railway Project Company and Mineral Terminal Project Company). A representative chosen among their members by the trade unions that have entered into the Collective Bargaining Agreement shall attend the Labor Committee's meetings as an expert.

- (c) The Labor Committee's operation mode shall be decided upon by the Labor Committee, it being agreed that the first meeting of the Labor Committee will take place within six (6) months following the receipt by Cam Iron of the Exploitation Permit and the Labor Committee shall meet as often as deemed necessary by at least three (3) of its members comprising at least a State and a Project Company representative and at the minimum once every six (6) months at a venue in Cameroon to be agreed by the constituent parties and may also consult and exchange by email, videoconference or teleconference.

32.10 General Employment Provisions

Subject to the priority given to Cameroonian nationals in accordance with Article 32.3, the Project Companies, the Contractors and Subcontractors shall not engage in discrimination of any nature whatsoever, with regard to race, sex, religion or nationality. The Project Companies, the Contractors and Subcontractors shall not use child labor or forced, including bonded or prison, labor for the Project.

32.11 Health, Safety, Environment, Community and Security ("HSECS")

The Project Companies, the Contractors and Subcontractors shall comply with the following main HSECS obligations (that may be further developed in the Health and Safety Management Plan referred to below) for all staff working on Mining Operations, Railway Operations or Mineral Terminal Operations:

- (i) develop and implement (x) a detailed Health and Safety Management Plan and (y) a detailed environmental and social management plan that shall both be approved by the State and shall ensure compliance with internationally recognized standards such as ISO 9001:2008 (*Quality management system requirements*), ISO 31000:2009 (*Risk management - Principles and guidelines*), ISO/IEC 31010:2009 (*Risk management - Risk assessment techniques*), ISO/IEC 17021:2011 (*Conformity assessment*);
- (ii) provide a safe work place with safety systems in compliance with OHSAS 18001;
- (iii) be responsible for the safety of all staff and visitors to the site on which the relevant Project Companies (Contractors and Subcontractors) operate, which shall include the supply and timely replacement of all personal protective equipment for all such staff and visitors;
- (iv) provide trained medical staff (including doctors and nurses) as well as safety equipment (including ambulances), medicines and dressings for injuries that may occur; and
- (v) provide first response medical facilities equipped to stabilize any serious casualties arising from work related accidents or health issues and maintain adequate medical evacuation plans and facilities to transfer casualties to an appropriate treatment center.

32.12 Immigration Documents for Foreign Personnel

- (a) The Project Companies, the Contractors and Subcontractors shall file

applications (each an "**Application**") for working permits and visas - as well as any other authorization or document that may be required for Foreign Personnel (as defined below) to lawfully enter and work in Cameroon for the sole purpose of carrying out their work activities in connection with the Project (each an "**Immigration Document**") - for any and all non-Cameroonian nationals who are hired for the purpose of carrying out services in connection with the Project in Cameroon, whether as employees, consultants or otherwise (the "**Foreign Personnel**").

- (b) In order to streamline the Applications and help speed up the issuances of Immigration Documents, the State shall set up a single entry application procedure for the review, processing of Applications and issuances of Immigration Documents.
- (c) The Parties have agreed that the Labor Committee shall prepare, in consultation with each relevant administration in charge of the review, processing and/or issuance of Immigration Documents, a comprehensive document outlining the procedure that must be followed for any and all Application as well as expected deadlines for the issuance of Immigration Documents, such deadlines being set forth as an objective in view of Project operational requirements (the "**Protocol**").
- (d) The Project Companies, the Contractors and Subcontractors shall lodge the Applications in accordance with applicable Legislation and the Protocol.

32.13 Townships ("*cités d'ouvriers*")

- (a) Cam Iron undertakes to build permanent housing for employees working in the Exploitation Area, with a view to contributing to the implementation of a township ("*cit  d'ouvriers*") in such location which shall be completed in accordance with any town planning requirements. Cam Iron undertakes to supply the related conceptual urban planning scheme within six (6) months of the Signature Date, together with the updated Feasibility Study, it being specified that the State shall be in charge of setting up or having set up the public facilities of the township (such as schools, water and electricity networks).
- (b) Cam Iron will provide a construction camp for its workforce working in the Mineral Terminal Area and after construction, if the Mineral Terminal Area urban development plan makes land available to Cam Iron or the Mineral Terminal Project Company for accommodation purposes, the latter shall, to the extent necessary, build permanent housing for the employees working in the Mineral Terminal.

33 USE OF CAMEROONIAN GOODS AND SERVICES

33.1 Principle

Subject to the provisions of Article 33.2 and the Legislation, the Project Companies may, subject to the reasonable approval of the State (where any trade is material), choose their suppliers, Contractors and Subcontractors regardless of their nationality or place of registration, in order to obtain Goods and high-quality services with a

view to carrying out the Project Operations of which they are in charge. For the purposes of this Article 33.1, disapproval by the State shall be deemed reasonable if the selection of a supplier, Contractor or Subcontractor is or has been (within the last twelve (12) months) under investigation by the State, is (i) not in compliance with all Legislation and applicable professional licensing requirement, (ii) deemed materially deficient in any Tax payment owed to the State or (iii) not in good standing.

33.2 Minimum thresholds and objectives

For the purposes of reinforcing the national industrial base, each Project Company undertakes, to grant priority to Cameroonian Contractors and Cameroonian Subcontractors:

- (a) during the Construction Phase of the Project Facility, at least fifty percent (50%) of the total value of all contracts for the procurement of Goods (other than goods which Cameroonian Contractors and Cameroonian Subcontractors cannot source and which must be imported for use in the Project) or the supply of services, assessed over every two (2) year period shall be contracted to Cameroonian Contractors and Cameroonian Subcontractors, and the Project Companies shall use reasonable efforts to increase such percentage to the extent Cameroonian Contractors or Cameroonian Subcontractors have the ability to meet the technical, timing, cost and other required performance standards;
- (b) during the Exploitation Phase of the Project Facility, at least fifty percent (50%) of the total value of all contracts for the procurement of Goods or the supply of services, assessed over every two (2) year period shall be contracted to Cameroonian Contractors and Cameroonian Subcontractors, and the Project Companies shall use reasonable efforts to increase such percentage to the extent Cameroonian Contractors or Cameroonian Subcontractors have the ability to meet the technical, timing, cost and other required performance standards, and

provided that the selection of Contractors and Subcontractors to meet the above requirements is on the basis of the best conditions in terms of availability, experience, competitiveness and solvency (including insurances and ability to provide proper performance guarantees which may be supported by the State pursuant to Article 43.2). Each of the Project Companies shall, on an annual basis, provide the State with a report as to compliance with the minimum levels set forth in Articles 33.2(a) and 33.2(b) during the applicable phase of the Project.

33.3 Cameroonian Contractors and Cameroonian Subcontractors

For the purposes of this Article 33, *Cameroonian Contractor* or *Cameroonian Subcontractor* shall refer to an entity registered in the State that meets one or more of the following criteria:

- (a) at least five percent (5%) of the equity interests are owned by citizens of the State; or
- (b) more than fifty percent (50%) of the employees are citizens of the State.

The Project Companies will give reasonable preferences to entities with more significant ties to Cameroon.

SECTION V – ECONOMIC AND TAX PROVISIONS

34 ROYALTY

34.1 Royalty Payment

The Mine Project Company shall, in respect of any month for the Term of the Project, pay to the State a Royalty equal to two and one half percent (2.5%) of the Mine Gate Value of all High Grade Ore and Beneficiated Ore from the Exploitation Area. During each month during the Term of the Project, ninety percent (90%) of the amount of such Royalty shall be estimated and paid to the State at the time such Product is loaded by the Mineral Terminal Project Company onto a ship for delivery or as otherwise agreed and the remaining ten percent (10%) of such Royalty shall be paid at the end of the month in which the final value is determined and reflect a true-up for actual amounts and prices.

34.2 Weighing and assaying

The Mine Project Company must:

- (a) at the Mine Loading Area, weigh in wet tonnes and regularly collect and analyse assays of all Products transported from the Exploitation Area; and
- (b) at the Mineral Terminal Area, weigh in wet tonnes and regularly collect and analyse assays of all Products delivered to the car dumper.

34.3 Reporting of assay results

- (a) The Mine Project Company must regularly provide the State with the weight and assay results obtained under Articles 34.2(a) and 34.2(b).
- (b) The Mine Project Company may supply the weight and assay results obtained under Articles 34.2(a) and 34.2(b) to all Third Parties contributing Other Ore and the governments of the countries from which Other Ore is derived.

34.4 Audit

- (a) At least once in every Calendar Year that the Mine Project Company pays the Royalty to the State pursuant to this Article 34, the Mine Project Company must engage a reputable international firm of accountants with demonstrated experience in projects similar to the Project to conduct an audit of those the Royalty payments made during the Calendar Year, at the sole cost of the Mine Project Company.
- (b) The Mine Project Company must provide the report of the audit described in Article 34.4(a) to the State in a timely manner.

34.5 Adjustment

Where, as a result of the audit referred to in Article 34.4, the amount of the Royalty which has been paid by the Mine Project Company to the State is not correct then:

- (a) where the amount paid is less than what it should have been, then the

Mine Project Company must pay the shortfall to the State within fourteen (14) Days of the date of the determination of that amount; or

- (b) where the amount paid is greater than what it should have been, then the Mine Project Company shall credit that surplus amount against its future obligation to pay the Royalty.

34.6 No Royalty on Certain iron ore

Only the Mine Project shall be obligated to pay the Royalty on the iron ore from the Exploitation Area

35 CEMAC

35.1 Approvals

If it proves necessary or useful for one or more Project Companies, Contractors or Subcontractors to carry out any formality, either in accordance with the CEMAC regulation, or to obtain any approval from the CEMAC Commission with respect to any legal, Tax, customs, explosives and exchange control matters provided for under this Convention:

- (a) the relevant Project Company, Contractor or Subcontractor shall carry out such formalities and provide the documents necessary to assist such a request for approval; and
- (b) the State shall use its reasonable endeavours to assist the relevant Project Company, Contractor or Subcontractor with a view to meeting the requirements of the regulations and the CEMAC authorities within the requisite time-limits.

35.2 Restrictions

If the CEMAC Commission is considering imposing restrictions or obligations on a Project Company, Contractor or Subcontractor in respect of any activities it conducts or proposes to conduct in relation to the Project, regardless of whether such restrictions or obligations are imposed by Legislation or are conditions to any approval sought by the State, the State shall use its reasonable endeavours to obtain a partial or entire exemption from such restrictions or obligations.

36 FISCAL AND CUSTOMS REGIME

36.1 Governing law

The legal, Tax, customs and exchanges control regime currently applicable to the activities carried out pursuant to this Convention, is contained within:

- (a) the OHADA Acts;
- (b) the Regulation No 2/00/CEMAC/UMAC/CM harmonizing exchanges control regulations in the CEMAC members States;
- (c) the Customs Code in force at the Signature Date;
- (d) the General Tax Code in force at the Signature Date;

- (e) all the Finance Laws in force at the Signature Date;
- (f) Law No 63/4 of 19 June 1963 relating to the implementation of the regulations of the Franc Area throughout the territory of the Republic of Cameroon;
- (g) the Mining Code in force at the Signature Date;
- (h) the Investment Charter Law N° 2004-4 of 19 April 2002 in force at the Signature Date;
- (i) Law No 67/LF/22 of 12 June 1967 relating to the financial relations between the Republic of Cameroon and foreign countries;
- (j) Decree N° 76/64 of 19 February /1976) modifying Decree N° 75/763 of 12/December/1975 which suspend the application of withholding taxes on foreign loans; and
- (k) Law No 95/14 of 8 August 1995 establishing the conditions of US Dollars accounts.

36.2 Tax Regime

- (a) In addition to the provisions contained in this Convention, during the Term of the Project, Cam Iron and the Project Companies, their Contractors and Subcontractors shall be subject to the provisions of Annex VII in connection with the Project Operations. If a tax, fee or similar assessment is not addressed in a Project Agreement, including Annex VII, then it shall be payable in accordance with the Legislation.

36.3 Bonus Payment

- (a) The Parties agree that in order to enjoy Bonus Payment Holiday for the purposes of all assignments and transfers or any restructure or other dealings either directly or indirectly in the shares in Cam Iron or a Project Company including any dealing in any shares in any entity that may directly or indirectly control those companies, or any consent the State is required to give to any Finance Document, Cam Iron shall pay to the State the sum of eleven million (11,000,000) US Dollars on the date that is no more than ten (10) Days following the consummation of the transactions contemplated by the Scheme and these payments will be the only payments required to be made during the Bonus Payment Holiday by or on behalf of Cam Iron or a Project Company for the purposes of section 20 of the Mining Code. The Parties will also provide for the completion of any documents necessary for the Project Companies and their parent companies, as the case may be, to comply with applicable provisions of Australian legislation regarding such payments.
- (b) The Project Companies will be exempt from any Bonus Payment otherwise payable on:
 - (i) transfers of the equity interests of the parent companies of Cam Iron; and
 - (ii) any security or pledge that the Mine Project Company may create

over the Exploitation Permit.

36.4 **Offset of Part Payment of Bonus Fee**

If the Conditions Precedent are not satisfied and as a consequence, there is no Date of Entry into Force then notwithstanding that the balance of this Convention may not have entered into force, Cam Iron shall not be entitled to a refund of any of the amounts it has paid to the State pursuant to Article 36.3, however, Cam Iron may offset the eleven million (11,000,000) US Dollars it has paid to the State pursuant to Article 36.3 against all amounts it may from time to time owe the State in connection with bonus payments due by Cam Iron for the Project or other mining projects of Cam Iron up to a total sum of eleven million (11,000,000) US Dollars.

36.5 **Other requirements**

- (a) Cam Iron and each Project Company must comply with any obligations to obtain an importation or exportation license or any other similar permission or authorisation under any CEMAC requirement in respect of which the State has met its obligations pursuant to Article 35.1 but is unable to obtain any partial or total exemption.
- (b) Subject to Article 42 (Insurance), Cam Iron and each Project Company must comply with any obligations imposed by customs or their representatives to obtain insurance from Cameroonian insurers in relation to any equipment (including fixed and movable Mining Exploitation equipment (including vehicles used solely within the Exploitation Area and those servicing Mining Operations like cargo trucks, buses and light vehicles), processing equipment and materials transportation and handling equipment), goods, spare parts, materials (including construction materials and materials for intermediate consumption), commodities, supplies, consumables (including fuel, petroleum products, reagents, lubricants, gas and power), plant (including the Beneficiation Facility), rolling machines, vehicles, aircraft (including planes and helicopters), trains and telecommunication equipment (for terrestrial communication, radio communication or satellite communication) or any ore, minerals or products (including iron ore and any sub-products) including any requirements to produce an insurance policy or certificate to show that such insurance has been obtained under any CEMAC requirement in respect of which the State has complied with its obligations under Article 35.1 but is unable to obtain a partial or total exemption.
- (c) Nothing in this Article 36 permits Cam Iron or any Project Company to import into the territory of the State any items which are not permitted to be imported under the Legislation of the territory of the State. The Parties acknowledge that the items listed under Annex VI are prohibited imports as of the Signature Date and that such listing may be amended from time to time. Explosives material required for the Project shall be permitted to be imported into the territory of the State in accordance with the Explosives Agreement.
- (d) In order to give effect to the exonerations referred to in this Article 36 the Parties shall develop appropriate protocols to ensure the operations of Cam Iron and the relevant Project Company are not interrupted or delayed.

36.6 Third Parties

Subject to Article 6.1, nothing in this Convention shall confer any rights or remedies under or by reason of this Convention on any Third Party beneficiary except to the extent that a specific obligation of a Project Company is passed to such Third Party subject to the terms hereof. Nothing in this Convention shall relieve or discharge the obligation or liability of any Third Party to any Party to this Convention.

36.7 Cross Border Movement

The State acknowledges that for the efficient operation of the Project Operations and the Nabeba Project that Goods imported for Cam Iron or a Project Company and Nabeba Goods imported for Congo Iron may have to be exchanged either before being used for the intended importer or after initial delivery to the site of operation. The State shall agree a protocol with each of Cam Iron or an appropriate Project Company and Congo Iron by which those Goods or Nabeba Goods can be exchanged or used in a country of operations which is different to that for which they were imported without either Cam Iron or an appropriate Project Company or Congo Iron having to pay any customs duties, excise duties, Taxes, charges, taxation, foreign exchange restrictions, inspection costs and the like.

36.8 State's Equity Interest.

Neither Cam Iron nor any Project Company nor any of Cam Iron's shareholders or the Shareholders shall be liable for any Tax, registration fee or any other charge or stamp duty attached to the State's acquisition of the State Interest.

37 ACCOUNTING

37.1 Accounting Provisions

- (a) The accounts of Cam Iron and of the Project Companies shall be kept in accordance with the IFRS (*International Financial Reporting Standards*) and with the OHADA accounting principles.
- (b) The Project Companies not registered in the territory of the State shall be entitled to use the US Dollar or any other currency deemed appropriate by Cam Iron for keeping their accounts and undertake all ancillary accounting operations and to denominate their share capital in such currency.
- (c) The applicable exchange rate to be applied to conversion of transactions carried out in a currency other than the US Dollar shall be the rate published under the rubric "**exchange cross rates**" in the London Financial Times, in force on the day of the conversion transaction. If the currency is not indicated in the "**exchange cross rates**" or if the London Financial Times is not available, the exchange rates obtained from another internationally recognised source, published in London or New York, shall be used. If it is impossible to obtain a published rate, the applicable rate shall be the mathematical average of the exchange rates each business day of the relevant month for which the rate is available from any of the sources referred to in this Article 37.

37.2 Extractive Industries Transparency

Cam Iron and the Project Companies shall comply with the requirements of the Extractive Industries Transparency Initiative and CEMAC directives on transparency of financial relations with respect to all payments made by them pursuant to this Convention or Specific Agreement. The Parties shall act in good faith at all times in connection with their obligations under this Convention.

SECTION VI – MISCELLANEOUS PROVISIONS

38 RELIEF EVENTS PROCEDURES AND REMEDIES

38.1 Relief Events.

A Project Company shall be relieved for the time described below in Article 38.1.1(c), from its obligation to perform the Project Operations to the extent that any failure to perform results from such Relief Event.

38.1.1 Relief Event Notice

- (a) If a Project Company is affected by a Relief Event, it shall give notice (“**Relief Event Notice**”) to the State and the State Project Committee as soon as practicable and in no event later than thirty (30) Days following the date on which it first became aware of such Relief Event (provided that in the case of the same Relief Event being a continuing cause of delay, only one notice shall be necessary), which notice shall include (i) a statement of which Relief Event the claim is based upon, (ii) details of the circumstances from which the delay arises and (iii) an estimate of the delay in the performance of obligations under this Convention attributable to the said Relief Event and information in support thereof, if known at that time. The State shall, after receipt of the Relief Event Notice, be entitled by notice to require the Project Company to provide such further supporting information or details as the State may reasonably consider necessary. If a Relief Event has not yet occurred, but a Project Company knows of any event or circumstances which could reasonably be expected to result in a Relief Event, the Project Company will give notice pursuant to Article 47.1.5 but may later give notice pursuant to this Article when an actual Relief Event occurs.
- (b) The affected Project Company shall notify the State as soon as practicable and in no event later than ten (10) Days following the date on which it first became aware that a Relief Event has ceased.
- (c) Subject to the affected Project Company giving the Relief Event Notice required in Article 38.1.1(a) above, a Relief Event shall excuse such Project Company from whatever performance is prevented by the Relief Event referred to in such notice for such appropriate number of Days as the State and such Project Company jointly determine. If the State and the Project Company cannot agree upon the period of delay, then the Project Company shall be excused for a reasonable period. This Article 38.1.1(c) shall not excuse Cam Iron or any Project Company from the performance and observance under the applicable Project Agreement(s) of any obligations and covenants not affected by the Relief Event nor prevent the State or its designee from exercising its rights under the Project Agreements. Notwithstanding the occurrence of a Relief Event,

the affected Project Company shall continue its performance and observance under the applicable Project Agreements of all of its obligations and covenants to the extent that it is reasonably able to do so and shall use its reasonable efforts (*obligation de moyens*) to minimize the effect and duration of the Relief Event. Nothing in this Convention shall permit or excuse noncompliance with a change to the Legislation.

- (d) If a Relief Event occurs that also qualifies as a Compensation Event, the Project Company may also pursue its remedies under Article 39.

38.1.2 Role of State Project Committee.

Upon the receipt of a Relief Event Notice, the State Project Committee shall use its reasonable efforts to respond within twenty one (21) Days to the applicable Project Company and indicate whether or not it is granting or denying temporary relief from the circumstances (“**Adverse Circumstances**”) related to the Relief Event (“**Committee Response**”). Provided, however, that if the expected Relief Event is of the type subject to Article 40.3, the procedures of that Article shall govern.

- (a) If the Committee Response indicates that the State Project Committee is granting temporary relief from the Adverse Circumstances, the State Project Committee does not send a Committee Response within twenty one (21) Days, or the Committee Response is silent on whether temporary relief has been granted, then to the extent the expected Relief Event is the result of a delayed, denied or withdrawn permit, beginning at the time of the Relief Event Notice, the Project Companies shall be automatically temporarily granted any permit described in the Relief Event Notice, for which it has complied with all material requirements under applicable Legislation, as needed to avoid the Adverse Circumstances (other than a new research, exploration or exploitation permit under the Mining Code). At any time, the State Project Committee may send written notice terminating this temporary relief.
- (b) The intent of this provision is to allow the Project Companies to mitigate any potential Relief Event and the Project Companies shall use their reasonable efforts to mitigate any potential Relief Event.
- (c) Granting the temporary relief provided in this Article 38.1.2 is not intended to be the only method of resolving and mitigating an expected Relief Event and the State and the Project Companies may seek other resolutions, including the State’s enforcement of any denial or withdrawal of any permit identified in the Relief Event Notice if the State chooses to do so.

39 CONVENTION COMPENSATION

39.1 **Payment of Convention Compensation.**

- (a) Except as otherwise provided in Article 40.3, but in all other instances, in addition to other notice provisions of this Convention, if a Compensation Event occurs, the applicable Project Company shall give notice “**First Notice**” of such occurrence to the State and the State Project Committee promptly but no later than thirty (30) Days following the date on which the Project Company first became aware of the Compensation Event. If a Compensation Event has not yet occurred, but a Project Company knows

of any event or circumstances which could reasonably be expected to result in a Compensation Event, the Project Company will give notice pursuant to Article 47.1.5 but may later give notice pursuant to this Article when an actual Compensation Event occurs. Within thirty (30) Days following the date of delivery of such notice, the Project Company shall give the State and the State Project Committee another notice (the "CE-Notice") setting forth (i) details of the Compensation Event, including a specific explanation of the reasons that the event constitutes a Compensation Event under the terms of this Convention and (ii) the amount claimed as Convention Compensation and details of the calculation thereof. If the State wishes to dispute the occurrence of a Compensation Event or the amount of the Convention Compensation claimed in the CE-Notice (each a "**Convention Compensation Dispute**"), the State shall give notice of Dispute (the "**CE-Dispute Notice**") to the Project Company within ninety (90) Days following the date of receipt of the CE-Notice stating the grounds for such Dispute. If neither the CE-Notice nor the CE-Dispute Notice has been withdrawn within sixty (60) Days following the date of receipt of the CE-Dispute Notice by the Project Company, the matter shall be submitted to the Dispute resolution procedure in Article 56. The State shall pay the Convention Compensation to the Project Company within one hundred twenty (120) Days following the date of receipt of the CE-Notice, or if a CE-Dispute Notice has been given as provided in the immediately following sentence, then not later than one hundred and twenty (120) Days following the date of determination of the Convention Compensation; provided that, in each case, the State may defer any such compensation for an additional period (not to exceed one (1) year from the date of the CE Notice if there is no Convention Compensation Dispute and if there is a Convention Compensation Dispute, three (3) months after the amount of Convention Compensation is determined) if the State reasonably determines that such additional period is necessary to obtain financing or required approvals to make such payment. Notwithstanding the foregoing, in the event of a dispute regarding the amount of Convention Compensation, the State shall make available to the Project Company any undisputed portion of such Convention Compensation and any portion of such Convention Compensation that is subsequently agreed between the Parties, in each case not later than one hundred and eighty (180) Days following the date that the Parties have agreed to such portion (even if a dispute regarding a portion of the amount claimed by the Project Company is still pending) provided that, the State may defer any such compensation for an additional period (not to exceed one (1) year from the date of the CE Notice for such agreed portion.

- (b) Convention Compensation shall be an amount sufficient to compensate Cam Iron or the applicable Project Company for all documented Losses with respect to a Compensation Event in excess of the applicable thresholds in the Definition of Compensation Event after taking into account any insurance proceeds actually received by Cam Iron or such Project Company in connection with the Compensation Event, if applicable. If Cam Iron or the applicable Project Company is required to expend its own funds (whether from operating cash flows or the proceeds of any debt or equity financing or otherwise) with respect to any Compensation Event prior to receipt of the corresponding Convention Compensation, then the determination of Convention Compensation

shall, in addition to the components described above, include interest at a rate equal to the Reference Rate plus four hundred (400) basis points. The Project Companies shall use their reasonable efforts to mitigate any Losses and adverse effects of a Compensation Event.

39.2 Role of State Project Committee.

- (a) If the State wishes to remedy the occurrence of a Compensation Event, the State shall give notice thereof to the Project Company within thirty (30) Days following the date of receipt of the CE-Notice. If the State gives such notice, it must remedy the Compensation Event within one hundred twenty (120) Days following the date of receipt of the CE-Notice or, if a CE-Dispute Notice has been given, within one hundred twenty (120) Days following the final decision that a Compensation Event occurred or, in either case, within such longer period as may be reasonably required, proceeding diligently, to remedy such Compensation Event. If the State remedies the occurrence of a Compensation Event within the applicable period of time, the right of the Project Company shall be limited to a claim for Convention Compensation calculated up to such remedy date only.
- (b) In addition upon the receipt of the First Notice, the State Project Committee shall use its reasonable efforts to respond within twenty one (21) Days to the applicable Project Company and indicate whether or not it is granting or denying temporary relief from the circumstances (“Adverse Circumstances”) related to the Compensation Event (“Committee Response”). Provided, however, that if the expected Compensation Event is of the type subject to Article 40.3, the procedures of that Article shall govern.
- (c) If the Committee Response indicates that the State Project Committee is granting temporary relief from the Adverse Circumstances, the State Project Committee does not send a Committee Response within twenty one (21) Days, or the Committee Response is silent on whether temporary relief has been granted, then to the extent the potential Compensation Event is the result of a delayed, denied or withdrawn permit, beginning at the time of the notice of the Compensation Event, the Project Companies shall be automatically temporarily granted any permit described in the notice of a Compensation Event, for which it has complied with all material requirements under applicable Legislation, as needed to avoid the Adverse Circumstances (other than a new research, exploration or exploitation permit under the Mining Code). At any time, the State Project Committee may send written notice terminating this temporary relief.
- (d) The intent of this provision is to allow the Project Companies to mitigate any potential Compensation Event and the Project Companies shall use their reasonable efforts to mitigate any potential Compensation Event.
- (e) Granting the temporary relief provided in this Article 38.1.2 is not intended to be the only method of resolving and mitigating a Compensation Event and the State and the Project Companies may seek other resolutions, including the State’s enforcement of any denial or withdrawal of any permit identified in the notice of the Compensation Event Notice if the State chooses to do so.

40.1 Warranty from the State

- (a) Any Change in Law may be deemed a Compensation Event, subject to the definition thereof.
- (b) The Legislation and the obligations assumed by the Project Companies under the applicable Project Agreements, together with, in each case, any amendment thereto, shall apply at all times to the Subsidiaries, Contractors and Subcontractors directly or indirectly in charge of all or part of the Project Operations.

40.2 Stabilisation clause

Throughout the Term of the Project, if there occurs:

- (a) any new provision or any amendment to the Legislation on the Signature Date;
- (b) any new Legislation which does not exist as at the Signature Date; or
- (c) Legitimate Cause,

which meet the definition of a Compensation Event, then the affected Party may deem such change a Compensation Event, subject to the definition thereof, in which case such Party shall have recourse to the remedies set forth in Article 39 or the remedies set forth in Article 40.3.

40.3 Petition from a Project Company

Where Cam Iron or a Project Company is of the view that an event has or is about to occur which falls within the scope of Article 40.2, then Cam Iron or such Project Company shall promptly file a petition with the State and the State Project Committee (which shall constitute a Compensation Event Notice for purposes of the State Project Committee), providing all necessary documents in support of the petition and, within ninety (90) Days following the date of receipt of the petition, the State may either:

- (a) reject the petition providing reasons therefor; or
- (b) accept the petition and propose to Cam Iron or the relevant Project Company to meet with it within a maximum period of thirty (30) Days to discuss but shall have no obligation to reach an agreement regarding:
 - (i) the possibility to postpone application of the disputed legislative, regulatory or administrative measure; or
 - (ii) where the State considers that said measure should apply, agree with Cam Iron or the relevant Project Company on modifications to this Convention or the Project Agreement to which it is a party in order to preserve the economics thereof, whereupon the relevant parties undertake to act reasonably and use their reasonable endeavours to reach a mutually acceptable solution.

40.4 Economic Hardship

- (a) In case of an event, other than those referred to in Article 40.2, unforeseeable on the Signature Date and outside the Parties' control, results in a substantial disruption of the economic and financial balance of the Project for a period of at least ninety (90) successive Days, Cam Iron, provided the Project Companies continue to perform their respective obligations, may propose to the State the measures, in particular in terms of tax and finance, strictly necessary to enable the economic and financial balance to be restored and the manner in which this could be achieved. In providing its proposal to the State, Cam Iron must be able to demonstrate that, without the State adopting appropriate measures, the Project, looked at as a whole, will not be cash-flow positive for at least twelve (12) months longer than reflected in the Project Economic Model. The State shall notify Cam Iron of its decision on said proposals within ninety (90) Days following the date of notification of the request. If the State does not agree to the proposal for assistance then Cam Iron or the relevant Project Companies are entitled to suspend operations in accordance with Article 51 but subject to Article 50.
- (b) The relevant Parties undertake to adopt reasonable and good faith behaviour in applying this Article 40.4.

40.5 Emission Scheme Change Notice

- (a) Cam Iron shall notify the State as soon as possible after it becomes aware of any actual or imminent Change in Emission Scheme.
- (b) As soon as practicable and in any event not more than one hundred and eighty (180) Days) after the issue of the notice under Article 40.5(a), Cam Iron may give to the State notice in respect of a Change in Emission Scheme setting out the estimated liability of the Project Companies under the Change in Emission Scheme and the value of the carbon credits or carbon offsets available from the FMU as contemplated in Article 29.5.2(b) ("**Change Notice**").
- (c) The Project Companies shall have an additional two (2) years to comply with any Change in Emission Scheme and shall be able to use any carbon credits or reductions generated by the FMU to offset carbon limitations introduced by the Change in Emission Scheme.

40.6 Compensation for a Change in Emission Scheme

If a Change in Emission Scheme occurs that directly or indirectly discriminates against the Project Companies, then such change may be a Compensation Event if it meets the definitional requirements.

41 EXPROPRIATION – NATIONALISATION

41.1 State's undertakings

- (a) Except with respect to the exercise of its Reserved Rights and applicable Step-in Rights or pursuant to a Project Agreement, the State undertakes not to take without consent, against either Cam Iron or any Project Company, any measure of seizure, nationalisation or compulsory acquisition (a

"Confiscation"):

- (i) of the rights of ownership composing Cam Iron or any Project Company's share capital;
- (ii) of the assets needed for the Project Operations held by Cam Iron or any Project Company in the territory of the State; or
- (iii) of the occupation rights Cam Iron or any Project Company hold in the Project Areas; provided, however, that such a Confiscation, which was not capable of being remedied by a modification of delineation of the relevant Project Area, prevents Cam Iron or the relevant Project Company from continuing to conduct the Project Operations of which it is in charge within the relevant Project Area.

(b) It is expressly agreed that the provisions of Article 41.1(a):

- (i) concern the occurrence of expropriation events within the meaning of customary international law and do not prejudice the State's rights in terms of non-delivery, non-renewal, termination, modification, withdrawal, cancellation or suspension of a Project Agreement, a Project Lease or any permit, authorization or approval in accordance with the terms thereof, of the applicable Project Agreement or of the Legislation; but
- (ii) do not concern an Ordinary Force Majeure or Political Force Majeure event which do not result from an act or omission of the State, which shall under no circumstances represent a Confiscation to which the provisions of Article 41.2 do not apply.

41.2 Indemnification

- (a) Without prejudice to the provisions of Article 56, any breach by the State of its undertakings under Article 41.1 may qualify as a Compensation Event if it meets the definitional requirements and Cam Iron and one or more Project Companies, as applicable, shall (except to the extent any damages result from a Project Company Fault) have the right to request Convention Compensation relating thereto, as set forth in Article 39.1.
- (b) The indemnity value referred to in Article 41.2(a) shall be agreed between the Parties or, in case of failure to reach an agreement, shall be determined in accordance with the procedure set forth in Article 56.
- (c) The indemnification under this Article 41, paid as the case may be, will be calculated in accordance with any applicable principle of compensation recognised under customary international law.

41.3 Parties claiming to have been Confiscated

Where the State breaches its undertaking under Article 41.1 then, unless it can be demonstrated that the breach affects in a material way the operating performance and profitability both before and after tax or freedom to remit dividends to Cam Iron or its shareholders, the Project Companies or their Shareholders then for the loss suffered as a result of such Confiscation only, Cam Iron or its shareholders or Project

Companies or their Shareholders that are the subject of the expropriation shall be included in the calculation of the loss incurred in each case without duplication.

41.4 **Dispute Resolution In Respect to a Confiscation Dispute.**

Any dispute, disagreement, controversy or claim arising out of, connected with or relating to the State's undertakings and indemnification under this Article 41, or to the breach, termination, invalidity, existence or interpretation thereof, or to any event, action or inaction related to any of the foregoing ("**Confiscation Dispute**") shall be resolved through amicable settlement or arbitration as set forth in Article 56.4.

41.5 **Coordination with Treaties.**

- (a) The provisions of this Article 41 shall be effective only when there is not an applicable bilateral investment treaty in place that grants applicable rights regarding expropriation and if there is such a bilateral investment treaty, then such treaty and not this Article 41 shall govern.
- (b) This Convention is intended to provide the remedies regarding indirect expropriation and fair and equitable treatment only when there is not an applicable bilateral investment treaty, and accordingly, to the extent any bilateral investment treaty provides for applicable remedies regarding indirect expropriation and fair and equitable treatment or other causes of action that could be brought under the applicable bilateral investment treaty on the same facts, the applicable bilateral investment treaty shall govern the claims that may be brought and any additional claims created by this Convention shall no longer be applicable. This subsection is intended to only address the rights to bring claims, and the forum for hearing and resolving those claims is addressed in Article 56.

42 **INSURANCE**

42.1 **Principle**

Cam Iron shall comply with Inter-African Conference on Insurance Markets ("**CIMA**") and all applicable Legislation concerning insurance and the procurement of appropriate coverages. The Parties recognize that international carriers may be necessary for the insurance of certain major risks, but the Project Companies shall use Cameroonian insurers where coverage is available at competitive prices, and the State shall reasonably cooperate to permit Cam Iron to cover a portion of this type of risk from CIMA to the extent required. In addition, the State shall cooperate and assist Cam Iron in obtaining certain policies outside the territory of the State and from internationally recognized carriers.

42.2 **Risks covered**

- (a) Other than as provided for in Article 42.4, Cam Iron, the Project Companies, the Contractors and its Subcontractors shall take out insurance to cover at least the following risks:
 - (i) loss or damage caused to the Project Facilities and other installations, equipment and items existing or built within the Project Area occupied pursuant to the applicable Project Agreement;
 - (ii) the cost for relinquishment of the Project Facilities and other

installations, equipment and items existing or built within the Project Area it occupies pursuant to the applicable Project Agreement, damaged as a result of a loss and their replacement value, as the case may be;

- (iii) damage caused to the Environment due to the Project Operations of which it is directly or indirectly in charge;
- (iv) injury, loss or damage suffered by Third Parties during or as a consequence of the conduct of the Project Operations of which it is directly or indirectly in charge;
- (v) injury and damages suffered by its personnel during or as a consequence of the conduct of the Project Operations which it is directly or indirectly in charge, and by the authorized engineers and agents (including Auditors) hired in the context of the administrative and technical supervision of said operations; and
- (vi) such other insurances as are reasonably stated by an international insurance consultant as being risks usually covered in the particular circumstances.

- (b) Cam Iron shall use commercially reasonable efforts to ensure that the insurance policies required under the terms of this Article 42 contain a provision ensuring that the required coverage cannot be terminated without prior written notification to the State at thirty (30) Days in advance.

42.3 Political risk insurance

- (a) Cam Iron and the Project Companies may obtain and maintain for the whole Term of the Project insurance to cover all potential political risks including, inter alia, Political Force Majeure events that can be covered by an insurance against political risks, obtained on the basis of reasonable commercial terms considering the scope and localisation of the Project.
- (b) The guarantees referred to in Article 42.3(a) shall be taken out with the Multilateral Investment Guarantee Agency (MIGA) or China Export & Credit Insurance Corporation, or any other internationally recognised company that covers the State.

42.4 Self Insurance

Cam Iron may propose, prior to the Date of Entry into Force, and upon such proposal, the Parties may agree prior to the Date of Entry into Force on a framework for self-insurance insuring against risk which may arise from certain Project Operations. The State recognizes that the need for self-insurance in the mining industry is normal to cover certain risks.

42.5 Cessation of Self Insurance

If Cam Iron or a Project Company:

- (a) elects to discontinue; or

(b) is unable to continue,

the self insurance referred to in Article 42.4, that Party must effect such insurance with an insurer against the insurable risks which are no longer the subject of self insurance.

43 EXCHANGE CONTROL, FOREIGN CURRENCY AND BANKING OPERATIONS

43.1 Other Exchange Control, Foreign Currency and Banking Operations.

(a) The ("Foreign Exchange Agreement") will address the foreign exchange control, foreign currency and banking operational provisions applicable to the Project Operations and the financing thereof and will provide that, in connection with the Project, Cam Iron, the Project Companies and their respective Shareholders, Affiliates, and/or Contractors, Subcontractors shall benefit from (a) the foreign exchange provisions in the Legislation and the following provisions:

- (i) the opening and domiciliation in the State of a convertible foreign currency bank account. The depositing into this bank account of any amount of money that the Project Companies determine is to be used to at finance part of the costs of the Project Operations and the use of this account for activities related to the execution of the present Convention;
- (ii) the cashing in of all funds acquired or borrowed from abroad, including sales revenue from its share of the Sale Products, the preserving of these funds offshore and the freedom to use any supplementary funds which are not necessary for their local businesses in Cameroon;
- (iii) the freedom to transfer out of the State dividends and interest payments of all kinds resulting from capital investments, as well as earnings from the liquidation or disposal of any of the Project Companies' assets;
- (iv) the offshore payment of foreign companies, Contractors, Subcontractors and nonresident consultants who provide goods and services necessary to the Project Operations; and
- (v) Contractors and Subcontractors of foreign nationality and expatriate employees shall also benefit from the exemptions from all foreign exchange restrictions granted and;

the right for the expatriates working for Cam Iron and for the Project Companies, Affiliates and Contractors and Subcontractors residing in the territory of the State, to transfer abroad part or all their earnings and their contributions paid to foreign pension funds by or on behalf of these employees for the purpose of retirement funds, life insurance, health insurance and other similar purposes.

(b) The Parties agree to provide a level of support to the Cameroonian banking industry with respect to the implementation of the Foreign Exchange Agreement.

43.2 Support for Cameroonian Financial Institutions

- (a) Cam Iron and the State shall cooperate to establish mechanisms (which may include credit support from the State) by which Cameroonian Companies will be able to meet the financial support obligations for companies wishing to be awarded contracts from the Project Companies to participate in the Project.
- (b) Cam Iron and the State shall cooperate and use their reasonable efforts to negotiate with the Lenders to allow a portion of the debt financing for the Project to be provided or syndicated among banks regulated by the State's national monetary authority ("**Cameroonian Banks**").
- (c) All required bank guarantees provided by the Project Companies to the State will be issued by Cameroonian Banks provided they are available on terms and pricing competitive with international banks.

44 CONFIDENTIALITY

44.1 Confidentiality

44.1.1 State's obligation of confidentiality

- (a) Except this Convention and the Project Agreements which may be published, reviewed by Parliament and made available to the public through that process, the State shall treat the Project Agreements as well as all reports, analysis results, logging, geophysical data or maps provided by Cam Iron or a Project Company under or pursuant to the performance of this Convention or the relevant Project Agreement as confidential. The State shall also treat as confidential any other document provided by Cam Iron or a Project Company on which the reference "*Confidential*" appears (the "**Confidential Information**"). Confidential Information shall exclude information that (i) is or becomes generally available to the public or in the industry other than as a result of a disclosure by the recipient in breach of this Convention, (ii) was within the possession of the recipient or the Party with which he is affiliated prior to its being furnished to the recipient, provided that the source of such information was not bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the provider with respect to such information, (iii) is or becomes available to the recipient or the Party with which the recipient is affiliated on a non-confidential basis from a source other than the provider, provided that such source is not bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the provider with respect to such information or (iv) was independently developed.
- (b) Unless agreed in writing by the Project Company which disclosed the Confidential Information, the State undertakes that neither the State nor any of its agents or representatives shall transmit any such Confidential Information to a Third Party (which for clarification excludes Governmental Entities) for as long as such information remains confidential.
- (c) The Confidential Information shall remain confidential for the State until

the rights and obligations arising under this Convention or the Project Agreement concerned by said information are extinguished, for whatever reason.

44.1.2 Cam Iron and Project Companies' obligation of confidentiality

- (a) Cam Iron and the Project Companies undertake not to disclose to any Third Party the Confidential Information without the prior written agreement of the State.
- (b) Subject to any applicable stock exchange or other legal disclosure requirements, Cam Iron and the Project Companies shall not issue any public statements or press releases regarding the Project and shall cause their direct and indirect equity holders and lenders to not issue any public statements regarding the Project without the prior written consent of the State which will not be unreasonably withheld.
- (c) The Confidential Information shall remain confidential for Cam Iron and the Project Companies until it falls in the public domain pursuant to Article 44.1.1(c).

44.1.3 Exceptions

- (a) Notwithstanding the provisions of Articles 44.1.1 and 44.1.2:
 - (i) the geological surface area maps and their interpretations may be utilised by the State at any time for incorporation into official maps provided data arising from the Project Operations is not disclosed;
 - (ii) the State may publish annual statistical information provided data arising from the Project Operations is not disclosed;
 - (iii) the State may disclose the return on its equity interests in the Project Companies;
 - (iv) the State may use the Confidential Information for internal purposes and share it with Governmental Entities provided that such Governmental Entities shall be bound by the provisions of this Article 44;
 - (v) the State may disclose the Royalty, tax and fiscal terms of the Project, to mining permit applicants;
 - (vi) the State, Cam Iron or any Project Company may, at any time, transmit the Confidential Information to any expert appointed pursuant to the provisions of this Convention, to professional consultants, legal advisers, accountants, insurers, Lenders, Subsidiaries and Governmental Entities;
 - (vii) Cam Iron, the State and the Project Companies may also transmit information to applicants for Expansion Capacity, provided however, that such communication is necessary for the application for Expansion Capacity;
 - (viii) that they obtain from the Confidential Information recipient a

confidentiality undertaking similar to that of this Article 44; and

(ix) Cam Iron and the Project Companies may also transmit information to Subsidiaries, Lenders, Assignees, Contractors, Subcontractors and Third Parties involved in the performance of this Convention or a Project Agreement, provided however:

(A) that such communication is necessary for the conduct of the Project Operations; and

(B) that they obtain from the Confidential Information recipient a confidentiality undertaking similar to that of this Article 44, a copy of which shall be provided to the State and which is directly enforceable by the State.

(b) The confidentiality obligations in this Article 44 do not apply to information which must be disclosed:

(i) in accordance with Legislation, the State's transparency initiatives or enforcement of the Legislation or the State's rights under the Project Agreements;

(ii) pursuant to a judicial decision by a competent court;

(iii) to subsequent operators of the Railway or Mineral Terminal or mining operators in the Exploitation Area, to users of the Mineral Terminal and Railway and to the Government of Republic of Congo (provided such disclosure is limited to the agreements to which such users or the Government of the Republic of Congo are a party and the information addressed by those agreements); or

(iv) for the purposes of assignments of interests in the Project, in accordance with the provisions of this Convention.

(c) The Parties are not entitled to confidential treatment of information relating to the timing and amount of payments or other benefits specifically due to the State under the terms of this Convention or of Taxes, payable by Cam Iron and the Project Companies or the rates at which such Taxes become due or are assessed, or information that is necessary to compute the amount of such payments or benefits becoming due.

45 SHARE OWNERSHIP AND OPERATION OF THE PROJECT COMPANIES

45.1 State warranties

(a) Except as expressly provided in a Project Agreement, the State's role as a shareholder of the Project Companies does not modify their rights under the Legislation which allow the Project Companies to freely organise their internal operations, subject to the terms of the Shareholders' Agreements, and notably to freely implement their articles of association, in compliance with the provisions of the Legislation and in particular those of the Uniform Act on Commercial Companies.

(b) Except as expressly provided in a Project Agreement, the State's role as a

shareholder of the Project Companies does not modify their rights under the Legislation which allow the Project Companies the right to appoint their directors and management, subject to the terms of the Shareholders' Agreements, in particular their president, board members, general manager, financial managers, commercial, administrative and technical managers and statutory auditors, in compliance with the provisions of the Legislation and in particular those of the Uniform Act on Commercial Companies.

45.2 State ownership of the Project Companies

- (a) As of the Date of Entry into Force, the State:
- (i) shall have an automatic, unconditional and irrevocable right to hold, directly or indirectly, a non-dilutable equity interest equal to ten percent (10%) of the share capital and voting rights of each Project Company (other than Cam Iron and other Project Companies as mutually agreed from time to time), under the conditions set forth in Article 45.3 (the "**State Interest**"); and
 - (ii) shall acquire, for one (1) CFA Franc, an additional five percent (5%) of the share capital and voting rights of each Project Company (other than Cam Iron and other Project Companies as mutually agreed from time to time) under the conditions set forth in Article 45.4 (the "**Additional State Interest**"), such that, together with the State Interest, the State shall own fifteen percent (15%) of share capital and voting rights of each Project Company, and this shall be in full discharge of its rights under Section 11(2) of the Mining Code as of the Date of Entry into Force. Each of the Shareholders' Agreements shall set forth the rights and obligations of the Additional State Interest regarding dilution. According to the terms of the applicable Shareholders Agreement, if a Project Company issues any additional equity as part of its financing for the construction necessary to reach Project Commissioning after the time the State acquires the Additional State Interest and before Project Commissioning, the State shall be issued or receive as a transferee additional equity to maintain its five percent (5%) interest.
- (b) The State acknowledges that its right under Article 45.2(a)(i) to a State Interest shall cease on the sale or disposal by the State of that State Interest other than in connection with a Change in Control of a Project Company as defined in Annex IX or transfer of the Exploitation Permit and for the avoidance of doubt, this means that the State has no right to have its ten percent (10%) non-dilutable equity interest restored on the sale or disposal of all or any part of the State Interest. In the event of a sale or disposal of the State Interest in connection with Change in Control of a Project Company or transfer of the Exploitation Permit, the 10% non-dilutable equity interest shall be restored in the entity that direct or indirectly holds the Exploitation Permit.
- (c) The relationship between the Project Companies' Shareholders shall be governed, by the provisions of the applicable Shareholders' Agreement, which shall provide, in addition to other items agreed to by the parties thereto, that:

- (i) each Project Company shall be managed by a board of directors within which the State shall have at least one (1) permanent representative at all times;
- (ii) the State shall have a right to purchase equity in an affiliated company that will build, own or operate the Beneficiation Power Station on the same terms as other investors;
- (iii) implement the State's antidilution protection regarding new issuances in Article 45.2 (a)(ii);
- (iv) the items set forth on Annex IX shall be incorporated based on the language therein;
- (v) the following decisions and any other items specified in a Shareholders' Agreement shall require the consent of the State:
 - (A) to act as guarantor of indebtedness of a Third Party other than the Lender;
 - (B) other than as expressly contemplated in the Convention or in the ordinary course of such Project Company's business, to transfer, sell, assign, mortgage, pledge, lease, or otherwise dispose of the assets in an amount in excess of one hundred and fifty (150) million US Dollars (adjusted by the Inflation Adjustment) or the corresponding amount in another currency in any Calendar Year;
 - (C) to create or authorize the creation of or issue any other security convertible into or exercisable for any equity security, having rights, preferences or privileges senior to those held by the State;
 - (D) to issue any equity to employees, service providers and consultants of the Project Companies;
 - (E) except to the extent included in the Finance Documents, to incur (i) any indebtedness other than (A) indebtedness in an aggregate outstanding amount of less than ten percent (10%) of the value of the assets of the Project Companies and (B) unsecured intercompany indebtedness among the Project Companies to finance the cures of defaults under the Project Agreements and (ii) grant a security interest in connection with any indebtedness;
 - (F) to enter into any business other than the Project;
 - (G) to amend, alter or repeal any provision of the charter documents of a Project Company; and
 - (H) to purchase or redeem any equity which for avoidance of doubt will not restrict the anticipated restructuring described in the Bonus Payment Holiday.

45.3 State Interest

- (a) Subject to the occurrence of the Date of Entry into Force, by signing the respective Share Transfer Agreements and the associated Project Agreement with the Project Company in which the State is to acquire the State Interest, the State will acquire that State Interest in that Project Company for one (1) CFA Franc.
- (b) The State shall not be bound to participate in the calls for funds on account of the State Interest for any contribution required for the purposes of the Project Operations of which the Project Company is responsible in accordance with the provisions of the applicable Shareholders' Agreement.
- (c) The State may designate any public entity to hold the State Interest on its behalf, in which case such public entity shall be bound with the State to the provisions of this Convention and of the Specific Agreements to the extent that such provisions relate to the State Interest, including the provisions required to apply and implement the provisions relating to the State Interest.

45.4 Additional State Interest

- (a) Subject to the occurrence of the Date of Entry into Force, by signing the respective Share Transfer Agreements and the associated Project Agreement with the Project Company in which the State is to acquire the Additional State Interest, the State will acquire such Additional State Interest in that Project Company for one (1) CFA Franc.
- (b) The State shall be required to participate in all calls for equity contributions on account of the Additional State Interest in a Project Company including for capital necessary to fund: (i) subject to the Loan Carry Cap, the required equity contribution as of the Date of Entry into Force necessary for the initial funding of the Project in connection with the construction and development of the Mining Facilities, the Railway and the Mineral Terminal; (ii) the Expansion Capacity; and (iii) to the extent required after compliance with Article 10.8, the Beneficiation Facility; provided, that until such time as the aggregate capital required to be contributed by the State equals the result of (A) sixty-three million (63,000,000) US Dollars ; and (B) the State's Development Costs (which such amounts are equal to fifteen million (15,000,000) US Dollars) (such amount, the "**Loan Carry Cap**"), the State may, in its sole discretion, elect to fund any or all of its capital obligations (not to exceed the Loan Carry Cap only with respect to the initial equity requirements of the Project in connection with the construction and development of the Mining Facilities, the Railway and the Mineral Terminal) through a loan from Cam Iron (and not other shareholders of a Project Company) or from the Project Company pursuant to a mutually agreeable structure which such loan shall be repaid from the dividends issued and otherwise payable to the State on account of the Additional State Interest (but no more than fifty percent (50%) of any particular dividend) in the manner contemplated in the applicable Shareholders' Agreement, and such loan shall be evidenced by a note limited in recourse to the dividends payable on the Additional State Interest which shall accrue interest at a rate per annum equal to lesser of (i) the Reference Rate plus four hundred (400)

basis points or (ii) the interest rate payable by the Project Companies under the Finance Documents.

- (c) After such time as the State has contributed capital in an amount equal to the Loan Carry Cap, the State shall no longer be required to participate in the calls for funds on account of the Additional State Interest for any contribution required for the purposes of the initial funding requirements of the Project (in connection with the construction and development of the Mining Facilities, the Railway and the Mineral Terminal) and will not be diluted by any additional equity issued for such purpose.
- (d) The provisions of Article 45.3(c) apply to the Additional State Interest *mutatis mutandis*.

45.5 Equity funding of the State Interest and Additional State Interest

If any equity calls are made by a Project Company on its Shareholders for the purposes of funding the Project in respect of the Project Operations, the equity shares associated with the State's Interest shall be contributed by the other Shareholders in proportion to their interests in the Project Company requiring the equity call and the equity associated with the State's Additional Interest above the Loan Carry Cap with respect to the initial equity requirements of the Project in connection with the construction and development of the Mining Facilities, the Railway and the Mineral Terminal shall be contributed by the other Shareholders in proportion to their interest in the Project Company requiring the equity call..

45.6 Sale of State Interest and Additional State Interest

- (a) The State shall not sell all or any part of the State Interest, other than to a Subsidiary or Government Entity, at any time prior to the BF Commissioning Date and shall not sell all or any part of the Additional State Interest at any time prior to the third (3rd) anniversary of the Date of Entry into Force.
- (b) If the State should sell all or part of the State Interest or Additional State Interest other than to a Subsidiary or Governmental Entity, then:
 - (i) any such sale is to be subject to the State complying with the terms of both the articles of association of the relevant Project Company and the terms of the relevant Shareholders' Agreement; and
 - (ii) that portion of the State Interest or Additional State Interest that is sold will lose the right to be free carried and to be non-dilutory and loan carried as applicable.
- (c) Where the State sells all of the State Interest and the Additional State Interest, it shall cease to have the rights referred to in Article 45.2(c)(v) of this Convention.

45.7 Third Party Equity

- (a) Subject to Article 45.3, the share ownership in each of the Project Companies may differ from time to time and without limitation, may reflect Third Parties taking equity in a Project Company to assist in the funding or underwriting the Mining Operations or the construction or

operation of the Railway or Mineral Terminal.

- (b) If a Third Party that is intending to participate in the construction or operation of the Railway or Mineral Terminal takes equity in the applicable Project Company, then its access to the Railway or Mineral Terminal is still subject to the operation of Article 18.

45.8 **Role as State.**

Nothing in any Project Agreement or the State's status as an equity holder of any Project Company shall limit the State's ability to enforce the Legislation, and seek, levy and enforce penalties for violations of the Legislation. The State may use Confidential Information and any other information available to it.

46 PROJECT FINANCE

46.1 **Terms of Project Finance**

Cam Iron will be seeking to secure Project Financing, which will be:

- (a) secured over the assets of Cam Iron, the Project Companies, the shares in Cam Iron and all the shares in the Project Companies; and
- (b) to the extent possible, limited in recourse to the assets referred to in Article 46.1(a) such that the Parties are not required to support such financing by guarantees or other financial support other than as provided for in this Convention.

46.2 **Assistance with obtaining Financing**

Each of the Project Companies and the State, as a future shareholder, shall use its reasonable endeavours to facilitate the conclusion of the Finance Documents to which it is a party. The State must approve any Finance Documents.

46.3 **Debt/Equity Ratio**

The State agrees that, for the Term of the Project, any introduction of Legislation which will have the effect of imposing upon Cam Iron, any Project Company or its shareholders or their Shareholders any requirements to meet a minimum debt to equity ratio shall be deemed a Change in Law Event.

46.4 **Shareholder Guarantees**

Where the conditions of the Project financing, refinancing or working capital needs require the provision of guarantees by Sundance, Cam Iron or one or more of their shareholders or the Affiliates, such guarantees shall be provided without payment of any fees or subordination rights.

47 STATE PROJECT COMMITTEE

47.1 **Composition and Purpose.**

- (a) The State undertakes to establish conditions to facilitate the administrative formalities relating to the implementation of all phases of the Project. Accordingly, within a reasonable time following the Date of

Entry into Force, the State shall establish a committee (the “**State Project Committee**”) to coordinate with Cam Iron and the Project Companies with respect to performance of the State’s responsibilities under the Project Agreements, and specifically as set forth in this Article 47.

- (b) The State Project Committee shall be composed, of a number of representatives of the State, to be determined by the State, collectively, with appropriate expertise with respect to the Project.
- (c) Unless the State determines otherwise, the State Representative shall be a member of the State Project Committee.
- (d) The State shall be entitled to replace its representatives or alternates at any time in its sole discretion by giving written notice to the other Party of such replacement.

47.1.2 Competence of the State Project Committee

- (a) The State Project Committee shall cooperate with Cam Iron and the Project Companies and offer reasonable administrative assistance with performance of the State’s obligations under this Convention and the Project Agreements where such obligations require the involvement of the State, including:
 - (i) issuing Governmental Approvals, including any required permits, approvals for workers, establishment and registration of Project Companies and other similar obligations under or related to Cam Iron or the Project Companies’ performance under the Project Agreements;
 - (ii) ensuring that Cam Iron and the Project Companies (or their Contractors and Subcontractors) enjoy the Tax and other economic advantages set forth in this Convention; and
 - (iii) generally, assisting to minimize any delays associated with State consent and approval where required under the Project Agreements.
- (b) Notwithstanding anything to the contrary in the Project Agreements, neither the State, nor the State Project Committee or the representatives sitting thereon shall be liable for any failure to cooperate with respect to the items set forth in this Article 47, nor for any failure of Cam Iron or the State to obtain the Governmental Approval, consent or other approval referenced in this Article 47.

47.1.3 Meetings of the State Project Committee

The State Project Committee shall convene at such times as it deems necessary or appropriate in its sole discretion provided, that Cam Iron or a Project Company may request that the State Project Committee convene to make a determination with respect to a particular matter for which the State Project Committee has authority.

47.1.4 Funding of State Project Committee

The State shall be responsible for funding the activities of the State Project Committee with respect to meetings and internal interaction among Government Entities.

47.1.5 State Project Committee Process

- (a) The Project Companies shall promptly give notice (“**Compensation Event Notice**”) to the State Project Committee of any event or circumstances known to any of them which could reasonably be expected to result in a Compensation Event or Relief Event (the “**Adverse Circumstances**”) describing the Adverse Circumstances, expected Compensation Event or Relief Event and impact on the Project Companies and the Project. For clarification, notices of Compensation Events and Relief Events that have already occurred should be given pursuant to Articles 38 and 39.
- (b) Upon the receipt of a Compensation Event Notice, the State Project Committee shall use its reasonable efforts to respond within twenty one (21) Days to the applicable Project Company and indicate whether or not it is granting or denying temporary relief from the Adverse Circumstances (“**Committee Response**”). Provided, however, that if the expected Compensation Event or Relief Event is of the type subject to Article 40.3, the procedures of that article shall govern.
- (c) If the Committee Response indicates that the State Project Committee is granting temporary relief from the Adverse Circumstances, the State Project Committee does not send a Committee Response within twenty one (21) Days, or the Committee Response is silent on whether temporary relief has been granted, then to the extent the expected Compensation Event or Relief Event is the result of a delayed, denied or withdrawn permit, beginning at the time of the Compensation Event Notice, the Project Companies shall be automatically temporarily granted any permit described in the Compensation Event Notice, for which it has complied with all material requirements under applicable Legislation, as needed to avoid the Adverse Circumstances (other than a new research, exploration or exploitation permit under the Mining Code). At any time, the State Project Committee may send written notice terminating this temporary relief.
- (d) The intent of this provision is to allow the Project Companies to mitigate any potential Compensation Event and Relief Event and the Project Companies shall use their reasonable efforts to mitigate any potential Compensation Event and Relief Event.
- (e) Granting the temporary relief provided in this Article 47.1.5 is not intended to be the only method of resolving and mitigating an expected Compensation Event and Relief Event and the State and the Project Companies may seek other resolutions, including the State’s enforcement of any denial or withdrawal of any permit identified in the Compensation Event Notice if the State chooses to do so.

48 OTHER PROVISIONS.

48.1 Security.

The Project Companies shall provide reasonable security for the assets of the Project Companies and Project Facilities.

48.2 Identification of Required Permits.

The Project Companies are responsible for identifying all approvals, authorisations, consents, licences and permits necessary to fulfil their obligations under this Convention (including for both the Construction Phase and the Exploitation Phase) and the Project Agreements in accordance with the requirements contained in this Convention and the Project Agreements, provided, that, the State shall reasonably cooperate, upon request, with respect to such identification.

48.3 Renewal of Permits.

The State shall review in good faith all requests from the Project Companies that comply with the Legislation for required approvals, authorisations, consents, licenses or permits necessary to enable Cam Iron and the Project Companies to fulfil their obligations under this Convention and the Project Agreements.

49 ASSIGNMENTS AND STOCK TRANSFERS

49.1 No Assignments by Project Companies.

Neither Cam Iron nor Project Company may assign (including for security purposes), pledge or transfer any of its rights and obligations under a Project Agreement without the prior written consent of the State except where an "Exempt Assignment" and where such consent is required, the State shall consider the request in a timely manner and shall not unreasonably withhold such consent.

49.2 Assignments by State.

The State may assign all or any of its rights and obligations under a Project Agreement to a Government Entity; provided the State shall remain responsible and liable for the discharge of all of the obligations assigned by the State to its Government Entity.

50 FAILURE

50.1 Breach Event.

The breach events, exhaustively listed below, may lead to termination of the Contemplated Rights (each, a "**Breach**" or "**Breach Event**"):

50.1.1 Permit Withdrawal Breach Event

The events comprise:

- (a) any material part of the Project Operations are suspended for more than thirty six (36) months (which shall be extended for an additional twelve (12) months at the end of such thirty six (36) month period if price of High Grade Ore or Beneficiated Ore is less than seventy percent (70%) of

the price of such ore in the Project Economic Model), in accordance with Article 51 or otherwise, without full scale resumption of work for a continuous period of at least four weeks or, in aggregate for more than seven hundred and twenty (720) Days over the prior ten (10) years (which shall not be subject to extensions based on price), which suspension is not cured within thirty (30) Days of the State's notification to Cam Iron or the relevant Project Company thereof;

- (b) a Bank Guarantee or Environmental Guarantee is not re-established in its initial amount as provided for under this Convention, within a time frame of ninety (90) Days as from the date of any claim relative to this guarantee filed by the State;
- (c) one of the following events affecting any Project Company occurs:
 - (i) the liquidation or winding-up of a Project Company is initiated;
 - (ii) a competent jurisdiction has issued a liquidation decision concerning one Project Company, which has become definitive and may not be subject to appeal or opposition; or
 - (iii) a competent jurisdiction has issued a judicial settlement decision concerning one Project Company, which became final and is not followed by a composition between the Project Company and the general body of creditors within ninety (90) Days following the said decision, subject to the fulfilment by the entity concerned of its obligations under the Project Agreement to which it is a party, in particular during the course of the appeal proceedings, where required.
- (d) a Delay Breach Liability Threshold was reached; or
- (e) any item identified as a "Permit Withdrawal Breach" in any Project Agreement occurs,

(each, a "Permit Withdrawal Breach" or a "Permit Withdrawal Breach Event").

50.1.2 Delay Breach Events

The events comprise:

- (a) the Project Commissioning has not occurred by the deadline specified in Article 3.6;
- (b) the Beneficiation Feasibility Study or Beneficiation Power Station Feasibility Study is not prepared and sent to the State by the deadline specified in Article 10.1(d);
- (c) there was a Positive Beneficiation Determination and the Project Companies began construction but the Beneficiation Facility Commissioning and the commissioning of the Beneficiation Power Station (if the State does not elect its option to construct the Beneficiation Power Station) does not occur prior to the BF Commissioning Deadline;
- (d) the Beneficiation Capacity Expansion Works are not completed in a

manner enabling the Mine Project Company to reach ninety percent (90%) of the Targeted Annual Production Capacity;

- (e) a Report is not prepared and sent to the State by the deadline specified in Article 30.3;
- (f) a Project Company fails to meet any material obligation to complete any significant action by the deadline imposed under the Project Agreement to which it is a party or under applicable Legislation, or
- (g) any item identified as a "Delay Breach Event" in any Project Agreement occurs,

(each, a "Delay Breach" or a "Delay Breach Event").

50.2 Notification of Breach

(a) Subject to the provisions of the Project Agreements, all Breach Events entitle the State to implement the termination procedure for the Contemplated Rights through a formal notice sent to the Project Company to which the Breach Event is attributable, which indicates, precisely:

- (i) the Breach(es) invoked to which the formal notice pertains; and
- (ii) the State's intention to terminate the Contemplated Rights if, within the time limit prescribed by the said formal notice ("**Remedial Period**"),

the ("**Notification of Breach**").

(b) The Remedial Period shall not be less than:

- (i) one hundred and twenty (120) Days for any Permit Withdrawal Breach Event in accordance with the provisions of article 35-2 of the Mining Code Implementing Decree; and
- (ii) forty five (45) Days for any Delay Breach Event or where the relevant Project Company pays the daily penalties, until the Delay Breach Liability Threshold is reached.

(c) During the whole Remedial Period, activities undertaken pursuant to this Convention, Project Agreements, and the Project Contracts shall be continued in accordance with the terms of this Convention, the other Specific Agreements, and the Project Contracts.

50.3 Penalties for Delay Breach Events

(a) In the event of a Delay Breach, the State may require from the Project Company concerned and Cam Iron, by formal notice sent to the Project Company to which the Delay Breach Event is attributable and to Cam Iron, to pay a per diem delay penalty in an amount equal to:

- (i) seventy thousand (70,000) US Dollars (adjusted by the Inflation Adjustment) per Day for Delay Breach Events referred to in Article

50.1.2 (a), (b), (c) or (d);

- (ii) five thousand (5,000) US Dollars (adjusted by the Inflation Adjustment) per Day for Delay Breach Events referred to in Articles, 50.1.2(e) and 50.1.2(f); or
- (iii) the amount specified in the Project Agreement (adjusted by the Inflation Adjustment) per Day for Delay Breach Events referred to in Article 50.1.2(g).

(b) The aggregate amount of the penalties that may be received pursuant to Article 50.3(a) shall not exceed:

- (i) individually with respect to a particular Breach or group of related Breaches, fifty million (50,000,000) US Dollars (adjusted by the Inflation Adjustment); and
- (ii) cumulatively, two hundred million (200,000,000) US Dollars (adjusted by the Inflation Adjustment),]

(each, a "Delay Breach Liability Threshold").

50.4 State Step-In Rights

If the State reasonably considers that a breach by any Project Company of any obligation under any of the Project Agreements or an event: (i) is likely to create an immediate and serious threat to the health or safety of the public, any material property or the Environment, or (ii) is prejudicial to the ability to carry on the State's Reserved Rights or other customary rights to a material degree, then the State, acting reasonably may, if it considers that there is sufficient time and that it is likely that the Project Company (or the Lenders, through a substituted entity) shall be willing and able to provide assistance, require the applicable Project Company by notice to take such steps as are necessary or expedient to mitigate or rectify such state of affairs including, if applicable due to breach of any Project Agreement, to suspend a Contractor or Subcontractor, and the applicable Project Company shall use all reasonable efforts (*obligation de moyens*) to comply with the State's requirements as soon as reasonably practicable;

- (a) If the State gives notice to the applicable Project Company under Article 50.4 and the Project Company either:
 - (i) does not confirm, within five (5) Business Days of such notice, or such shorter period as is appropriate in the case of an emergency, that it is willing to take such steps as are required in such notice or does not present an alternative plan to the State to mitigate, rectify and protect against such circumstances then the State may, within a further five (5) Business Days, accept or reject such plan, acting reasonably; or
 - (ii) fails to take the steps as are referred to or required in such notice or accepted alternate plan within such time as set forth in such notice or accepted alternate plan or within such time as the State, acting reasonably, will stipulate,

then the State may take such steps as it considers necessary or expedient to mitigate, rectify or protect against such circumstances either itself or by engaging others to take any such steps. Such steps may include the partial or total suspension of the right and obligation of Cam Iron or the applicable Project Company to provide the relevant Project Operations, but only for so long as the circumstances referred to in Article 50.4(a) persist.

- (b) The applicable Project Company shall ensure that all Finance Documents, Project Contracts and contracts with the Contractors and Subcontractors permit the State to exercise its rights under this Article 50.4.
- (c) The exercise by the State of any of its rights under this Article 50.4 shall not reduce or affect in any way Cam Iron's or the applicable Project Company's responsibilities under the applicable Project Agreement to perform the Project Operations.
- (d) To the extent that any of the circumstances set forth in this Article 50.4 arise as a result of any actual or anticipated breach by any Project Company of its obligations under any Project Agreement, then Cam Iron or the applicable Project Company shall pay the State the amount of all costs and expenses reasonably incurred by the State in exercising its rights under this Article 50.4 and an additional mark-up of twelve per cent (12%) of such costs and expenses in respect of indirect costs and overhead not otherwise directly attributable to the exercise of such rights.

50.5 Termination for Breach

- (a) If a Project Company or Cam Iron:
 - (i) has not within the applicable Remedial Period, cured any applicable Breach; or
 - (ii) has committed a Permit Withdrawal Breach Event or a Permit Withdrawal Breach Event has occurred,

upon two (2) Days notice (or such shorter period if reasonably warranted by the circumstances) the State shall be entitled to exercise its rights (the "**Contemplated Rights**") to: (A) terminate all or any part of the Project Agreements and revoke all permits, authorisations and approvals of Cam Iron and the Project Companies, and shall be entitled to draw upon any Bank Guarantee, surety or other security provided under any Project Agreement, or otherwise collect compensation from Cam Iron or the applicable Project Company to indemnify the State for any actual or reasonably expected Losses resulting from such Permit Withdrawal Breach; and (B) terminate the Exploitation Permit and upon an election to exercise such rights to terminate, such permits, authorizations and approvals, the Project Companies shall be deemed to have renounced such permits, authorizations and approvals, in each case, pursuant to the provisions of this Article 50.5.

- (b) Any Notification of Breach issued pursuant to Article 50.2(a) shall be immediately deemed null and void if the Breach Event(s) referred to in the Notification of a Breach have been cured prior to the conclusion of the applicable Remedial Period.

(c) Notwithstanding the foregoing, the State shall not be entitled to terminate the Contemplated Rights if:

(i) the alleged Breach(es) constitute a direct and exclusive consequence of the occurrence of:

- (A) a Confiscation;
- (B) a Force Majeure Event; or
- (C) a Legitimate Cause,

and the Breach results from the failure to comply with a deadline or the completion of any action by such deadline as a result of the occurrence of such a Legitimate Cause or such a Force Majeure Event, the Project Company concerned shall benefit from the automatic extension of this term for a duration equal to the period during which the Force Majeure Event or the Legitimate Cause has lasted and the State shall be automatically reinstated in its rights pursuant to Article 50 if it identifies a Breach after the end of the extended term.

(ii) if the Breaches are the result of a Delay Breach Liability Threshold being reached and the underlying breach is that the Project Commissioning has not occurred by the applicable deadline and the Project Companies have expended at least half of the capital expenditures required to reach Project Commissioning, the Project Companies are diligently implementing a plan reasonably expected to achieve Project Commissioning within a reasonable time and the Project Companies continue to pay the penalties in Article 50.3 beyond the applicable limits; or

(iii) if the Breaches are the result of a Delay Breach Liability Threshold being reached and the underlying breach is the Beneficiation Facility Commissioning or commissioning of the Beneficiation Power Station (if the State has not elected to construct the Beneficiation Power Station) has not occurred by the applicable deadline and the Project Companies have expended at least half of the capital expenditures required to reach the Beneficiation Facility Commissioning and the entity (other than the State) constructing the Beneficiation Power Station has expended at least half of the capital expenditures required to reach the Beneficiation Facility Commissioning, the Project Companies and the entity constructing the Beneficiation Power Station (other than the State) are diligently implementing a plan reasonably expected to achieve Beneficiation Facility Commissioning and the commissioning of the Beneficiation Power Station within a reasonable time and the Project Companies continue to pay the penalties in Article 50.3 beyond the applicable limits.

(d) If the Permit Withdrawal Breach Event is related to the failure to achieve Beneficiation Facility Commissioning or the commissioning of the Beneficiation Power Station by the required deadline as provided in Article 50.1.2(c) termination of Project Agreements related to the Project Companies' right to conduct the Railway Operations and Mineral Terminal Operations and termination and deemed renouncing of the Exploitation Permit and any other permits and authorizations of the

Project Companies shall be delayed until the tenth (10th) anniversary of Project Commissioning if such date has not already passed.

50.6 Payment of the financial penalties

- (a) Any financial penalties due pursuant to this Article must be paid within the maximum period referred to in the applicable Article or failing a specified date for the financial penalties imposed under Article 50.3, thirty (30) Days following the receipt by the Project Company concerned, of a Notification of a Breach.
- (b) In case of failure by the Project Company concerned to fully pay the financial penalties within the time-frames specified in Article 50.6(a), the State may enforce the provisions of Article 31.1(a).

50.7 Sanctions

- (a) The defaulting Project Company is also liable to the civil and criminal sanctions provided by the Legislation in the event of breach of the Legislation, in particular those relating to protection of the Environment. It may not escape any such liability by reason of the participation of the State as shareholder of said Project Company.
- (b) Infringements sanctioned in accordance with the provisions of the Legislation and those of this Article 50.7 shall be recorded in accordance with the Legislation.

51 DAMAGES

Notwithstanding any provision to the contrary in this Convention or another Project Agreement, no Party shall be liable for any indirect, special, punitive or consequential damages including lost opportunities, lost profits and similar measures of damages.

52 SUSPENSION OF OPERATIONS

52.1 Suspension

Notwithstanding any other provisions in this Convention but subject to Article 50, Cam Iron has the right to suspend all or any part of the Project Operations, by giving the State thirty (30) Days prior written notice or such lesser period where the circumstances dictate that it is not possible to give such a period of notice, specifying:

- (a) the whole or part of the relevant Project Operations to be suspended; and
- (b) the period for which that whole or part of the relevant Project Operations will be suspended,

and the detailed reasons for the suspension, which are to be one of the following causes:

- (c) Economic Hardship;
- (d) Force Majeure;
- (e) Legitimate Cause; or

(f) **Confiscation.**

provided, that, in each case, such cause must have had a Material Adverse Effect on the Project Company's ability to conduct the Project Operations, provided, however, in the case of Economic Hardship, the effect set forth in Article 40.3(b)(ii) must also have accrued. Such suspensions shall constitute a formal suspension by a Project Company for the purposes of this Convention and any applicable Project Agreement.

52.2 State's Right to Dispute Notice

(a) If within the thirty (30) Day notice period or such other notice period referred to in Article 52.1 the State does not agree that Cam Iron and the relevant Project Company has the bona fide reasons to seek suspension under this Convention and the relevant Project Agreement, then it shall put its case to Cam Iron and the relevant Project Company and if those companies do not accept the State's position then the matter becomes a Dispute and is then subject to the operation of Article 56.

(b) Where there is a Dispute, Cam Iron and the relevant Project Company must not suspend Project Operations until the Dispute is determined, unless it is not possible or is impractical to continue Project Operations until the Dispute is resolved or determined.

52.3 Consequences of Suspension

As soon as practicable after the commencement of suspension of the whole or any part of the relevant Projection Operations in accordance with Article 52.1, Cam Iron and the relevant Project Companies must use their best endeavours to minimise the costs and expenses associated with the suspension on that part of the Project Operations. For the avoidance of doubt, Project Companies shall not be liable for any costs and expenses incurred as a result of the suspension. A suspension may be deemed a Permit Withdrawal Breach event pursuant to Article 50.1.1(a).

52.4 Resumption

Cam Iron shall, as soon as they become aware that the reason for any suspension no longer exists, promptly recommence the whole or the part of the relevant Project Operations suspended.

52.5 Continuing Obligations

In the event of suspension of the whole or any part of the relevant Project Operations under this Article 51, Cam Iron and the relevant Project Companies shall be relieved, during the suspension, of any continuing obligations to conduct Project Operations under the provisions of this Convention and an applicable Project Agreement but not other obligations that by their terms or nature should continue.

52.6 Extension of delay

If, due to suspension under this Article 51 (and, if applicable, confirmation of the necessity of such suspension if Disputed), performance of any of the obligations under this Convention or a Project Agreement is delayed, the duration of the delay (to the extent undisputed or confirmed in accordance with the Dispute Resolution procedures set forth in Article 56) shall be added to any period provided under this Convention and/or such Project Agreement for the performance of the obligation(s).

53.1 Renunciation of the Project Lease

- (a) The Project Company may, before the expiry of the term of any Project Lease it holds, renounce the operation of all or part of that Project Lease. In the event of a renunciation before Project Commissioning, the Project Company concerned shall inform the State of such renunciation, without any prior notice being required.
- (b) In the event of a renunciation of a Project Lease after the Project Commissioning (other than for that part of the Project Lease on which the Project Road Agreement to the Railway becomes a Public Road), the Project Company shall specify the effective date of the renunciation, which shall not be less than three hundred and sixty five (365) Days from the date of notice as to a portion of a Project Lease, and seven hundred and thirty (730) Days for the entire Project Lease, from the date of notice. In addition, for information purposes only, the Project Company shall give the State the reasons for such renunciation and the conditions of renunciation.
- (c) Within sixty (60) Days of the notice, the State shall officially notify the Project Company of whether or not it is prepared to accept such a rescission.
- (d) Where the Project Companies apply to renounce all of the Project Leases as a consequence of the completion of Mining Operations, the State must accept the renunciation subject to the memorandum referred to in Article 53.1(e).
- (e) Any renunciation shall not become effective until after the State and the Project Company or Project Companies as the case may be have jointly signed a memorandum in which the State and the Project Company or Project Companies as the case may be shall acknowledge that the terms of withdrawal referred to in this Convention have been complied with.
- (f) The renunciation shall be confirmed by decree to the extent required by Legislation.
- (g) Notwithstanding the foregoing, the Project Lease relating to the Railway Area shall be renounced without further action by the Parties and solely with respect to the portions of the Project Road Adjacent to the Railway which will become Public Road pursuant to the Road Plan at such time as the applicable portions of the Project Road Adjacent to the Railway become Public Roads.

53.2 Renunciation of the Exploitation Permit

- (a) The Mine Project Company may, before expiry of the term of the Exploitation Permit, renounce the operation of all or part of the Exploitation Permit in accordance with Article 32 of the Mining Code Implementing Decree by giving notice of such renunciation to the State at least two (2) years before the proposed date of such renunciation, provided that said renunciation will not be effective until the requirements of Articles 53.2(c) and 53.2(d) have been completed.

- (b) The Mine Project Company may not renounce all of the Exploitation Permit in circumstances where both it and the other Project Companies do not renounce all the Project Leases as contemplated in Article 53.1
- (c) The application must provide or indicate:
- (i) the information required to identify the Exploitation Permit;
 - (ii) the results of the Mining Operations carried out as of the date of filing of the application;
 - (iii) the status of Mine Project Company's undertakings and obligations already satisfied, and those that remain to be satisfied;
 - (iv) the reasons, in particular technical and financial, on which the application for renunciation is based;
 - (v) the undertaking to fulfil all the outstanding obligations with respect to the Mining Operations, pursuant to the Mining Legislation and this Convention and, in particular, the obligations contained in the Environmental and Social Assessment and Management Plan minimum programme of works, relinquishment works, in terms of protection of the Environment and safety of persons and Goods; and
 - (vi) in case of partial renunciation:
 - (A) a geographical map on a scale of 1:200,000 of the area that the Mine Project Company wishes to retain, specifying the surface area, peaks and boundaries of the said delimited area; and
 - (B) a detailed report setting out the works already carried out and their results, specifying to what extent the objectives indicated in the initial application have been achieved or altered, and justifying the choice of the surface area(s) the Mine Project Company wishes to retain.
- (d) The Minister may cause the application for renunciation to be supplemented or rectified, if need be, provided that he sends to the Mine Project Company a request within thirty (30) Days .
- (e) As from approval of the application for renunciation, the Mine Project Company shall cease the mining works and, unless the State requires otherwise, shall undertake rehabilitation works of the mining site concerned by the renunciation in accordance with the requirements of the Environmental and Social Assessment and Management Plan. Normal closure requirements, consistent with the environmental and safety standards set forth in this Convention and the Legislation shall apply, but backfilling of the mine pits will, however, not be required.
- (f) The renounced Exploitation Permit will vest in the State on the date that all rehabilitation works of the mining site under the Environmental and Social Assessment and Management Plan have been completed.

53.3 Rights of the State Upon Renunciation.

Upon renunciation of a Project Lease and Project Agreement with respect to the Railway or Mineral Terminal or the Exploitation Permit, the State may terminate all or any part of the Project Agreements and Exploitation Permit and the applicable Handback Requirements set forth in Article 54.2 shall apply.

54 RIGHTS AND OBLIGATIONS AT THE END OF A PROJECT AGREEMENT

54.1 Condition of Project.

As at the end of one or more Project Agreements for any reason whatsoever, including its expiry or termination under the conditions set forth in this Convention or any renunciation pursuant to Article 53; and unless the rights and obligations resulting from said Project Agreement are taken over by an Assignee in accordance with the provisions of this Convention:

- (a) the relevant Project Company or Cam Iron shall have (or caused a Third Party to have):
 - (i) implemented and fulfilled all its obligations to rehabilitate the Project Area to which it is bound under the Environmental and Social Assessment and Management Plan, Project Agreements and Legislation;
 - (ii) designed and constructed each of the applicable elements of the Project to have been in accordance with the applicable design life requirements set forth in the Specifications;
 - (iii) designed and maintained the condition of the applicable portion of the Project in a manner consistent with the applicable Project Company having performed its obligations under the Project Agreements and in accordance with the Operating Standards;
 - (iv) designed and maintained the condition of the applicable portion of the Project in a manner consistent with the useful life standards established by the Specifications, compliance with which shall be determined using the methodology and criteria set forth therein. So long as the useful life standards so established for all of the systems and equipment comprising the applicable portion of the Project are complied with on a weighted average useful life basis for all such systems and equipment in the aggregate, it shall not be necessary to comply with the standard for each individual system or piece of equipment; and
 - (v) complied, generally, with all other obligations with respect to design, construction and maintenance of the applicable portion of the Project, under the applicable Project Agreement,

in each case, which shall be controlled, verified and recorded in accordance with Article 54.2.1; and

- (b) the relevant Project Company shall release, as of the expiration, termination or revocation of any Project Agreement to which it is a party, all facilities, equipment and materials located within the relevant Project

Area as directed in this Convention and the relevant Project Agreement and as required by Legislation.

54.2 Handback Requirements

The requirements of this Article 54.2 constitute the "Handback Requirements" with respect to the Mineral Terminal Operations, Railway Operations and any other additional Project Operations that are set forth in the Project Agreements as a BOOT.

54.2.1 Handback Survey and Work Plan.

In conjunction with the preparation of the maintenance plans for the Assets comprising the Mineral Terminal Facilities and the Railway Facilities, commencing at least two (2) years prior to the applicable expiration date, the applicable Project Company shall provide the State an independent report prepared by an independent expert approved by the State (such approval not to be unreasonably withheld) and the State shall conduct a joint inspection and survey of the assets comprising the Mineral Terminal Facilities and Railway Facilities. If such survey provided indicates that any element of the Assets comprising the Mineral Terminal Facilities and the Railway Facilities on such expiration date or over the remainder of the term of the applicable Project Agreement, is not, in the reasonable discretion of the State reasonably likely to be in a condition consistent with the standards set forth in the applicable Project Agreement, then, within sixty (60) Days of completion of the survey the Project Company shall deliver to the State the Project Company's plan to perform the additional work necessary to meet the Handback Requirements, together with a cost estimate for the work.

54.2.2 Determination of Handback Security.

Upon completion of the condition survey and work plan required by Article 54.2.1, the State:

- (a) may review and comment on the Project Company's performance plan; and
- (b) shall, after giving due consideration to the Project Company's cost estimate, determine in good faith the amount (the "Handback Security") it reasonably believes necessary to complete the additional work required to meet the Handback Requirements.

54.2.3 Establishment and Use of Handback Security Account.

Cam Iron, together the applicable Project Company, shall cause to be deposited a Bank Guarantee, letter of credit, or mutually acceptable security in an amount equal to the Handback Security from a bank with an Acceptable Bank Rating. The Project Company shall have the right, upon the submittal of certified requisitions to the State with full supporting receipts or other evidence of payment, to reduce the undrawn amount of the Bank Guarantee, letter of credit or other security by the amount of the cost of work performed.

54.2.4 Performance of the Handback Work and Further Inspection.

The Project Company shall implement the handback plan proposed under Article 54.2.1 and take all other steps necessary to assure compliance with the Handback Requirements, notwithstanding the State's participation in the handback survey or

review of the Project Company's work plan or the fact that the actual cost of compliance may be higher than the amount of the Handback Security. At least one hundred and eighty (180) Days prior to the expiration or termination date, the Project Company and the State shall conduct a further joint inspection and survey of the condition of the Assets comprising the Mineral Terminal Facilities and the Railway Terminal Facilities and the progress of the handback work.

54.2.5 Final State Condition Assessment.

On, or within five (5) Business Days after the expiration or termination date, the State shall either:

- (a) issue to the Project Company a Project Agreement Termination Certificate confirming compliance with the Handback Requirements and return any remaining Handback Security to the Project Company; or
- (b) notify the Project Company of its decision not to issue the Project Agreement Termination Certificate, setting out each condition with respect in which the Assets comprising the Mineral Terminal Facilities and the Railway Terminal Facilities do not comply with the Handback Requirements and stating the State's estimate of the cost of completing all work required for the Assets comprising the Mineral Terminal Facilities and the Railway Terminal Facilities to comply with the Handback Requirements.

54.2.6 Final Project Company Condition Assessment.

The Project Company may, within thirty (30) Days after receipt of the notice given in accordance with Article 54.2.5(b), object to any matter set forth in the notice giving details of the grounds of each such objection and setting out the Project Company's proposals in respect of such matters.

54.2.7 Final Compliance.

If the Project Company did not, as of the applicable expiration or termination date, comply in all respects with the Handback Requirements, the Project Company shall complete any work necessary to cause such compliance within sixty (60) Days of such expiration or termination date or pay to the State no later than sixty (60) Days after the expiration date an amount equal to the cost of completing any outstanding handback work, so that the Assets comprising the Mineral Terminal Facilities and the Railway Terminal Facilities are in a condition which complies with the Handback Requirements.

54.2.8 Rehabilitation.

All rehabilitation and remediation required by the applicable environmental Legislation and the Environmental and Social Assessment and Management Plan shall be performed regardless of whether the State elects to receive assets of the Project Companies pursuant to its rights under Articles 9.4, 10.15, 12.2.1 and 13.4 unless the State gives written notice to the respective Project Company that the Project Company is excused from such rehabilitation and remediation and rehabilitation and remediation in other areas will only be performed if expressly required by another Project Agreement.

55.1 Principle

- (a) If it becomes impossible for:
- (i) Cam Iron to perform its obligations under this Convention; or
 - (ii) a Project Company to perform its obligations under a Project Agreement to which it is a party,

or they can only be performed with delay, such non-performance or delay is not considered a breach of this Convention or other applicable Project Agreement if it results from an Ordinary Force Majeure Event, Political Force Majeure Event or Legitimate Cause, provided that Cam Iron or the Project Company, as the case may be, invoking the same duly proves a causal link between the non-performance or delay and the alleged Ordinary Force Majeure Event, Political Force Majeure Event or Legitimate Cause.

- (b) If it becomes impossible for the State to perform its obligations under this Convention or a Project Agreement to which it is a party, or they can only be performed with delay, such non-performance or delay is not considered a breach of said agreement if it results from an Ordinary Force Majeure Event, provided that the State duly proves a causal link between the non-performance or delay and the alleged Ordinary Force Majeure Event.
- (c) The Ordinary Force Majeure can under no circumstances be invoked by either Cam Iron or a Project Company in order to avoid any of its payment obligations arising from this Convention or the Project Agreement to which it is a party.
- (d) The Political Force Majeure and the Legitimate Cause may not in any case be invoked by the State to avoid any of its obligations under the provisions of this Convention or the Project Agreements.

55.2 Procedure

- (a) Where one Party considers that it has been prevented from performing its obligations due to a Force Majeure Event or Legitimate Cause, it shall promptly notify the other Parties setting out the cause of such event.
- (b) If a Party or a Project Company asserts Force Majeure as an excuse for failure to perform one or more of its contractual obligations, it must prove that it took reasonable steps to minimize delay or damages caused by foreseeable events, that it has substantially performed its obligations non affected by the Force Majeure Event and that the other Party was timely notified of the likelihood or actual occurrence of the Force Majeure Event.

55.3 Extension of delay – Termination of Project Agreement

- (a) If, due to a Force Majeure Event, performance of any of the obligations under this Convention or a Project Agreement is delayed, the duration of the delay shall be added to any period provided under this Convention

and or such Project Agreement for performance of this obligation.

- (b) If the Force Majeure Event has lasted more than thirty six (36) months, any Party may decide to terminate the relevant Project Agreement, subject to the relevant Project Company's compliance with its obligations in terms of termination of the Project Agreement to which it is a party, in accordance with the provisions of Article 54.

56 DISPUTE RESOLUTION

56.1 Amicable Settlement and Continued Performance

- (a) The Parties undertake to seek an amicable settlement of any Dispute, Technical Dispute, Expropriation Dispute, or Convention Compensation Dispute by providing notification as provided under this Convention and by attempting to negotiate an amicable resolution. Nonetheless, the parties to the dispute agree that they have no obligation to agree on a settlement.
- (b) If a Dispute, Technical Dispute, Expropriation Dispute, or Convention Compensation Dispute has not been resolved, for any reason, within sixty (60) Days following notification, or such other period as the parties may agree to in writing, any Party may initiate an applicable dispute resolution procedure as provided in this Article 56.
- (c) Notwithstanding anything in this Article 56 to the contrary, during the pendency of any Dispute, Technical Dispute, Expropriation Dispute, or Compensation Dispute, the Project Companies and the Government shall be obliged to continue performance of the Project Operations and their obligations under the Project Agreements, except to the extent that actual performance of a specific operation or obligation cannot be undertaken or completed without resolution of a Dispute or a Technical Dispute under the dispute resolution procedures in this Article 56.

56.2 Expert Procedure

- (a) In the event of any Technical Dispute, the parties agree to submit the matter to administered expertise proceedings in accordance with the Rules for Expertise of the International Chamber of Commerce (the "**Expert Procedure**"); provided that the provisions of this Article 56.2 shall govern to the extent they conflict with the ICC Expertise Rules. The Technical Dispute shall be heard by an impartial and independent expert, with expertise and other qualifications set forth in this Article 56.2, unless the parties otherwise agree in writing (including regarding the language). The party submitting a request ("**Request**") to the ICC for resolution of a Technical Dispute shall include the name, contact details and qualifications of a proposed expert who satisfies the qualifications of this Article 56.2. The responding party or parties shall have ninety (90) Days after receipt of the Request either to agree to the appointment of the proposed expert or to nominate another expert who satisfies the qualifications of this Article 56.2. If within ninety (90) Days after receipt of the response, or such other time frame as is otherwise agreed in writing by the parties, the parties have not reached agreement on the nomination of an expert for confirmation by the ICC International Centre for Expertise (the "**Centre**"), the Centre shall make the appointment.

- (b) Unless otherwise agreed in writing by the parties, the expert shall, to the greatest extent possible, satisfy the following qualifications:
- (i) recognized expertise and professional experience in the field of the Project Operations concerned by the Technical Dispute; and
 - (ii) fluency in both French and English sufficient to be capable of conducting the Expert Proceeding in French and English.
- (c) The expert appointed or confirmed in accordance with the ICC Expertise Rules shall deliver the draft report of its findings to the Parties within ninety (90) Days following appointment or confirmation, unless the parties otherwise agree in writing to extend this deadline. The parties will then have a period of ten (10) Days to comment on the draft report and findings. The expert shall deliver its decision, report and findings ("**Decision**") within ten (10) Days after expiration of the comment period whether or not the expert has received comments from any or all of the parties.
- (d) Any party that is dissatisfied with a Decision may, within thirty (30) Days of receiving it, send a written notice expressing its dissatisfaction to the other party or parties. If the expert fails to deliver its Decision within the time periods set out above, then any party may, within thirty (30) Days after this period has expired, send a written notice to the other party or parties of its dissatisfaction. In either event, the notice of dissatisfaction shall set out the matter in dispute and the reason(s) for dissatisfaction.
- (e) A Decision shall be binding on all parties, who shall promptly give effect to it unless and until it is revised in an amicable settlement or in any arbitral award issued pursuant to the arbitration procedure set forth in Article 56.3.
- (f) If no Party has sent a written notice to the other party or parties expressing its dissatisfaction with the Decision within thirty (30) Days of receiving it, the Decision shall become final and binding upon all Parties.
- (g) If any party fails to comply with a Decision when required to do so, the other party or parties may refer the failure itself to arbitration under Article 56.3.
- (h) If any party submits such a written notice expressing its dissatisfaction with a Decision or if the expert does not issue its Decision within the time limits prescribed in this Article 56.2, the Technical Dispute in question shall be finally settled by arbitration in accordance with Article 56.3. Until the Technical Dispute is finally settled by arbitration or amicable settlement, or unless the arbitral tribunal decides otherwise, the Parties remain bound to comply with the Decision.
- (i) An arbitral tribunal established under Article 56.3 in respect to a Technical Dispute that had been submitted to an expert under this Article 56.2 shall have full power to open up, review, revise or replace the expert's Decision and findings.
- (j) The parties to any expert procedure under this Article 56.2, and their respective Affiliates shall keep the expert procedure confidential, and shall not disclose to any person, other than those necessary to the proceedings, the existence of the expert proceedings, any information submitted during

the proceedings, any documents submitted in connection with it, any oral submissions or testimony, transcripts, or any Decision, all of which shall be treated as confidential business information, unless disclosure is required by law, is part of an arbitration commenced under this Article 56 or is otherwise necessary for permissible court proceedings.

- (k) The costs of the ICC Centre and the expert shall be borne equally by the parties.
- (l) Unless the parties otherwise agree, the expert procedure shall be conducted in English and French. All written submissions shall be made in both languages. Oral testimony shall be in English or French and shall be simultaneously translated in the other language. Each party shall bear its own translation costs.
- (m) Notwithstanding anything to the contrary in this Article 56.2, the Parties may refer any technical matter to an expert under this Expert Procedure, by mutual agreement.
- (n) The Parties may adopt one or more separate agreements (each, a **"Technical Dispute Resolution Agreement"**) that provides for resolution of one or more technical disputes under the Project Agreements. To the extent adopted, such an agreement is anticipated to contain provisions establishing a permanent dispute adjudication board or boards with the authority to make binding decisions to speed the resolution of technical disputes. If a Technical Dispute Resolution Agreement is adopted and by its terms it supersedes this Article 56.2, and such Technical Dispute Resolution Agreement shall govern the Technical Disputes provided for therein.

56.3 Arbitration Procedure

- (a) Any Dispute not amicably resolved under Article 56.1, any Technical Dispute not resolved under Article 56.2 and any Expropriation Dispute or Compensation Dispute or other Dispute not excluded by Article 56.4, shall be finally settled under the Rules of Arbitration (**"Arbitration Rules"**) of the ICC (the **"Arbitration Procedure"**), provided that in the event of conflict between the Arbitration Rules and this Article 56, the provisions of this Article 56 shall control.
- (b) Any dispute to be resolved under this Arbitration Procedure shall be heard by three (3) impartial and independent arbitrators each of which must be capable of conducting the proceeding in both English and French. The Claimant(s) and Respondent(s) shall nominate one arbitrator each in the Request for Arbitration and the answer to the Request, respectively. Where there are multiple claimants or multiple respondents, the multiple claimants, jointly, or the multiple respondents, jointly, shall nominate their respective arbitrator. To the maximum extent permitted by law, the State, on the one hand, and the Project Companies and all other parties (**"Project Parties"**), on the other hand, shall retain their respective abilities to nominate one arbitrator each even if additional parties are included or added to the arbitration. If within ninety (90) Days of commencement of the arbitration, the claimant(s) have not nominated an arbitrator, then the appointment shall be made by the ICC. If within ninety (90) Days after receipt of the answer to the Request, the respondent(s) have not nominated

an arbitrator, then the appointment shall be made by the ICC. The two arbitrators nominated or appointed in accordance with the above process shall then nominate the third arbitrator, who shall act as the president of the arbitral tribunal. If within thirty (30) Days after the appointment of the second arbitrator, the two arbitrators have not agreed upon the choice for the president, then he or she shall be appointed by the ICC. Should any of the arbitrators die, resign, refuse, not be confirmed or become unable to act before an award is issued, the vacancy shall be filled by the method set forth in this clause for such arbitrator's original nomination and appointment.

- (c) No Party shall be required, before initiating or taking part in arbitration proceedings under this Article 56, to have first initiated or exhausted any administrative or judicial remedy before the Cameroonian jurisdictions, unless the Parties to the Dispute under these particular arbitration proceedings had first specifically so agreed in writing or unless required under any applicable international treaty or customary international law principle.
- (d) The seat of the arbitration shall be Paris, France.
- (e) The arbitration shall be conducted in English and French. All written submissions shall be made in both languages. Oral testimony shall be in English or French and shall be simultaneously translated in the other language. Each party shall bear its own translation costs.
- (f) The arbitration panel shall have authority to resolve its own jurisdiction.
- (g) Any arbitration award shall be final and binding. Judgment on the award may be entered by any court having jurisdiction thereof. The Parties to any arbitration under this Article 56.3, and their respective Affiliates, shall keep the arbitration confidential, and shall not disclose to any person, other than those necessary to the proceedings, the existence of the arbitration, any information submitted during the arbitration, any documents submitted in connection with it, any oral submissions or testimony, transcripts, or any award, all of which shall be treated as confidential business information, unless disclosure is required by law, or is otherwise necessary for permissible court proceedings, including any recognition or enforcement proceedings.
- (h) The parties to the arbitration shall pay their own costs related to the arbitration and shall share in equal portions the costs of the arbitrators and the panel.
- (i) The State, within the context of an arbitration commenced under this Article 56.3, waives its right to invoke immunity from jurisdiction of the arbitral tribunal.

56.4 Resolution of An Expropriation Dispute.

- (a) An Expropriation Dispute (defined in Article 41.4) shall be subject to amicable settlement under Article 56.1 or arbitration under Article 56.3 unless the dispute or any related expropriation claim could be, has been, or could have been submitted for consultation or arbitration under the Convention on the Settlement of Investment Disputes between States and

Nationals of other States ("**ICSID Convention**"), or any applicable bilateral investment treaty, and in each of those instances if not resolved by amicable settlement under Article 56.1, a Party may only raise the claim pursuant to the dispute resolution provisions of the ICSID Convention. The Project Parties, on their own behalf and on behalf of their successors, assigns and investors claiming pursuant to an applicable treaty, hereby expressly acknowledge that the State does not consent to parallel, successive or duplicative actions under Article 56.3 and before ICSID with regard to any claim or any related claim arising from the same alleged act of expropriation, even if the claim or any related claim could be plead under a different body of law or legal theory.

56.5 Stipulations Concerning Dispute Resolution

- (a) The State and Projects Parties, on their own behalf and on behalf of their successors, assigns and investors, stipulate that:
- (i) the operations contemplated by this Convention constitute an "investment" within the meaning of article 25(1) of the ICSID Convention;
 - (ii) Cam Iron is a national of a Member State of the ICSID Convention because it is Controlled by an Australian national for the purposes of article 25(2)(b) of the ICSID Convention; and
 - (iii) notwithstanding any applicable bilateral investment treaty, any claim properly brought against the State by or on behalf of Cam Iron and the Project Companies or the Project Parties or their successors, assigns or investors shall be submitted for resolution to ICSID and not to any domestic tribunal.
- (b) The State and Projects Parties stipulate that the operations contemplated by this Convention constitute an "investment" within the meaning of article 25(1) of the ICSID Convention and that Cam Iron is a national of a Member State of the ICSID Convention because it is Controlled by an Australian national for the purposes of article 25(2)(b) of the ICSID Convention.

56.6 Resolution of A Convention Compensation Dispute

A Convention Compensation Dispute and any other Dispute shall be subject to amicable settlement under Article 56.1 or arbitration under Article 56.3 unless the dispute or any related claim could be, has been, or could have been submitted for consultation or arbitration under the Convention on the Settlement of Investment Disputes between States and Nationals of other States ("**ICSID Convention**"), or any applicable bilateral investment treaty, and in each of those instances if not resolved by amicable settlement under Article 56.1, a Party may only raise the claim pursuant to the dispute resolution provisions of the ICSID Convention. The Project Parties, on their own behalf and on behalf of their successors, assigns and investors, hereby expressly acknowledge that the State does not consent to parallel, successive or duplicative actions under Article 56.3 and before ICSID with regard to any claim or any related claim arising from the same alleged acts, even if the claim or any related claim could be plead under a different body of law or legal theory.

57 FUTURE AMENDMENTS

The Parties acknowledge that this Convention evidences a complex long term agreement between the Parties and that there may be circumstances which arise in the future that the Parties have not contemplated or fully or accurately discussed. Each Party agrees to consider a proposal from another Party to amend prior to the Date of Entry Into Force (but shall have no obligation to enter into such amendment).

58 FURTHER DOCUMENTS AND ACTS

The State, Cam Iron and each of the Project Companies must in a timely manner execute such contractual documents and perform such acts as shall be reasonably requested by another Party necessary to give full effect to this Convention and the Specific Agreements including where an amendment to, or modification of, the Project Agreements is required under the terms of this Convention.

59 LEGISLATION IN FORCE

This Convention is governed and construed in accordance with Legislation and the principles of international law and shall be interpreted according to them.

60 ENTIRE AGREEMENT

This Convention and the agreements contemplated in it represent the entire agreement between the Parties with respect to the transactions contemplated hereby and thereby. This Convention and the contemplated agreements supersede any previous agreements, including the Framework Agreement, arrangements and understandings and agreements among the parties with respect to such transactions.

61 NO WAIVER

No failure by either Party in requesting the strict performance by the other Party of the terms and conditions of this Convention or in taking the necessary measures available to it to guarantee such performance shall be deemed to be a waiver of any of the rights granted to it under this Convention. Each Party shall be bound to comply with the undertakings, liabilities and duties imposed on it by this Convention. Each Party shall be bound to perform the terms of this Convention in strict compliance, despite any other Party's potential failure to act.

62 SEVERABILITY

Each and every guarantee, undertaking and agreement contained in this Convention is, and shall be construed to be, a separate and independent guarantee, undertaking and agreement. If any term or provision of this Convention or the application of this Convention to any Party or in any circumstance shall, to any extent, be declared invalid or unenforceable by an arbitrator or by a court of competent jurisdiction, the remainder of this Convention, or the application of such term or provision to Parties or circumstances other than those as to which it is invalid or unenforceable, shall not be affected by it.

63 PUBLIC ANNOUNCEMENTS

The State, Project Companies and Cam Iron shall use their reasonable efforts to coordinate and agree on the language contained in any public announcement regarding this Convention; provided that nothing herein shall be deemed to limit any

obligation Cam Iron (if it becomes listed) or any controlling Shareholder that is listed on a recognized stock exchange (one the one hand), or the State (on the other) may comply with any applicable legislation.

64 NOTICES

64.1 Method of delivery

All communications or notices to the Parties set forth in this Convention shall be drawn up in French and English and if delivered in Cameroon delivered personally with acknowledgement of receipt. Delivery to parties outside of Cameroon shall be delivered personally or sent by reputable internationally delivery company charges prepaid with acknowledgment of receipt. Delivery to parties designated to receive copies of notices shall not constitute delivery to the specified Party.

64.2 Addresses

- (a) Notices to the State shall be served at the following address or any replacement addressees given in accordance with this Convention:

REPUBLIC OF CAMEROON
General Secretary
Office of Prime Minister

Yaoundé, Republic of Cameroon
and

Ministry of Industry, Mines and Technological Development
Yaoundé, Republic of Cameroon

With a copy to:

The State Project Committee
at the address provided by such committee;

and

Patton Boggs LLP
Attn: Joseph L. Brand
2550 M Street, N.W.
Washington, DC 20037

and

Patton Boggs LLP
Attn: Douglas C. Boggs
2550 M Street, N.W.
Washington, DC 20037

- (b) Notices to Cam Iron shall be served at the following address or any replacement addressees given in accordance with this Convention:

CAM IRON S.A

Attention: The General Manager

2ème étage, Immeuble Hibiscus, Avenue Charles De Gaulle, Hippodrome

Yaoundé, Republic of Cameroon

and

With a copy to:

Attention: The Managing Director

SUNDANCE RESOURCES LTD

Level 35

Exchange Plaza

2 The Esplanade

Perth, Western Australia, Australia

65 MODIFICATION

This Convention shall only be modified by written agreement of the Parties duly signed by both Parties or their duly authorised representatives.

66 SIGNATURES

This Convention is signed in four (4) original copies in English and four (4) original copies in French, and inconsistencies between the versions is governed by Article 2.1(I).

Made in Yaoundé, Republic of Cameroon, on the first date indicated above.

The Republic of Cameroon

Cam Iron SA

Represented by:

Represented by:

His Excellency, Emmanuel BONDE, Minister of Industry, Mines and Technological Development

Mr. Giulio CASELLO, Chairman of the Board of Directors, and Mr. Serge ASSO'O MENDOMO General Manager



Excellency
Mr. Emmanuel
BONDE



Mr. Giulio
CASELLO

Asso'o Mendomo Serge
Directeur Général
CAM IRON S.A