



The Arab Republic of Egypt  
Ministry of Petroleum and Natural Resources  
Egyptian Mineral Resources Authority

ANNOUNCEMENT

International Bid Round (1) 2020 for Exploration of Gold and Associated Minerals  
("Bid Round")

Further to requests and discussions with international mining companies and in order to provide Bid Round Participants more comfort and prior clarity on the legal, tax and investment framework applicable to the mining exploitation phase, the Egyptian Mineral Resources Authority ("EMRA") is pleased to provide the following agreed route, pathway and timetable for EMRA and Bid Round Participants to finalise the terms of the model mining exploitation agreement ("Model Exploitation Licence"):

**Bridge Undertaking**

In order to "bridge the gap" between the Exploration and Exploitation phases, EMRA has agreed to the following for the benefit of the successful bidders in this International Bid Round (1):

Within 12 (twelve) months of the date of issue of this Announcement ("Negotiation Period") EMRA shall undertake to do its best efforts to negotiate in good faith and agree – in a single collaborative negotiation process - the final terms of the Model Exploitation License that will govern the legal, tax and investment framework in respect of any commercial discovery and the mining project(s) resulting from the exploration phase.

The terms of the finally agreed Model Exploitation Licence shall:

- be in a form which provides for economic and regulatory terms and stability which are fair and necessary;
- incorporate, where appropriate, industry standard terms from internationally accepted model mining agreements and precedents; and
- address such key matters as may be reasonably required to meet the above requirements.

**Timetable & Structure of the Negotiations**

In order to avoid costly and time-consuming negotiations with numerous counter-parties and, after signing and issuing of the Exploration Licence Agreement, EMRA envisages that the negotiations be streamlined into a single collaborative structure and process with industry representatives. Prior to commencement of the negotiations EMRA and Bid Round Participants



shall nominate their respective authorised representatives for the purposes of the negotiations who shall, within 10 (ten) days of their appointment, agree on an indicative timetable and working structure for the Negotiation Period. To this end, respective parties will make available during the Negotiation Period, their relevant commercial, tax, environmental & social, finance and legal team members and advisers who will represent and assist them on the respective working committees and negotiations

to reach agreement on the terms of the Final Model Exploitation License, in line with the requirements set out above.

### Obligations following agreement of the Model Exploitation Licence:

Following agreement on the Model Exploitation Licence and within the Negotiation Period:

- EMRA and authorised representatives of successful Bid Round Participants shall initial the document and each retain a copy as final and definitive agreed form thereof; and
- EMRA shall publish the final Model Exploitation Licence on its website as the standard form of Exploitation Licences applicable to mining projects resulting from this Bid Round ; and
- EMRA shall provide a further agreed bridge undertaking to successful Bid Round Participants and published on its website to submit the Final Model Exploitation License for ratification by Parliament as soon as permissible and possible under the applicable laws and come into force following commercial discovery.

(the "Second Bridge Undertaking")

In the event that – within the Negotiation Period - the Model Exploitation Licence is not (i) agreed (ii) initialed by the parties (iii) published by EMRA on its website and (iv) the Second Bridge Undertaking is not concluded, then EMRA shall ensure that the Exploration Licence holders under the Bid Round shall be entitled to terminate, at their election, any Exploration Licence granted under the Bid Round, without any further obligation or penalty.

### Next Steps

EMRA will in due course reach out to all successful Round Participants in writing for the initial steps for the negotiation process for the Model Exploitation Licence as set out above.

For further information, please address all correspondence to.