

Mining Exploitation Agreement Model

The Parties to this Agreement are:

The Minister concerned with the Mineral Resources, in his capacity.

(hereinafter referred to variously as the "MINISTER"),

The Egyptian Mineral Resources Authority, a legal entity established by the Presidential Decree No. 452 of 1970 as amended, having its Legal Headquarters at 3 Salah Salem Rd. Abbassiya, Cairo, Egypt and represented herein by, in his capacity as the Chairman.

(hereinafter referred to as "EMRA")

_____, a company duly authorized and constituted corporation existing under the laws of _____ having its Legal Headquarters at, having Commercial Register No. And Tax I.D. No. and represented herein by in his capacity as in accordance with the Power of Attorney No. dated

(hereinafter referred to as the "Company")

Whereas, all the Ores in mines, quarries and saline in Egyptian lands, territorial waters and Exclusive Economic Zone are the property of peoples and the State shall preserve and exploit them optimally, and

Whereas, mining exploitation licenses for mines shall be issued by EMRA's Board of Directors and authorized by the MINISTER, and

Whereas, the Company desires to conduct Mining Operations in the exploitation Area specified in Annex A-1 to this Agreement and acknowledged that it has the knowhow, good experience in Mining Operations and financial capability to carry out and conduct such operations under this Agreement, and

Whereas, the Company has announced a commercial discovery of ore in the Area specified in Annex A-1 in compliance with Applicable Law and acknowledged that it has the technical capability, qualified and experienced staff, the required machines and tools and financial ability and desires to obtain the right to develop, produce and sell ore within the Exploitation Area, and

Whereas, EMRA in its capacity, as the competent entity for issuing the mining exploitation licenses and after reviewing the documents relates to the discovery of Ore and the delineation of the area that contains the discovered Ore, EMRA accepts the Company's request to carry out the development and produce Ore from the Exploitation Area in accordance with the terms and conditions of this Agreement, and

Whereas, the objective of this Agreement is to develop the Ore in a manner to promote long term stability in the conditions of mining investment and contribute to the sustainable development of the State and its communities through a process in which the production and use of non-renewable natural resources takes place in an equitable framework; and

Whereas, the Parties to this Agreement believe that the Project can be developed, economically operated, and closed while protecting the natural environment of the Exploitation Area and the productivity of its ecosystems, and while managing adverse environmental impacts to eliminate, minimize, or mitigate them to acceptable levels, and compensating for any remaining impacts;

Now, therefore, in consideration of the mutual rights and obligations contained in this Agreement and other good and valuable consideration, the Parties agree as follows:

Contents

1.0 Definitions and Interpretation	7
1.1 Definitions.....	7
1.2 Interpretation.....	9
1.3 Existing Rights	10
2.0 Development of Mining Area	11
2.1 Term of this Agreement.....	11
2.1.1 Grant of Mine Development Rights	11
2.1.2 Grant of Access Rights.....	12
2.2 Exclusivity.....	12
2.3 Legal Title to Minerals	12
2.4 Obligations Prior to starting the exploitation Activity.....	12
2.4.1 Feasibility Study.....	13
2.4.2 Environmental Impact Assessment and Environmental Management Plan	14
2.4.3 Exploitation costs & expenses	15
2.4.4 Compliance with Law; Requested Changes.....	15
2.5 Construction	15
2.6 Objects of an archaeological or historical nature.....	16
3.0 Annual Rental.....	17
4.0 Royalty.....	17
4.1 Calculation of Royalty.....	17
4.2 Production Statement.....	17
4.3 Payment of Royalty	17
5.0 Customs Duties	18
5.1 Customs Duties.....	18
6.0 Insurance	18
7.0 Taxation.....	18
7.1 Taxation - General	18
8.0 Financing	18
8.1 Foreign Currency Remittance and Availability	18
8.2 Guarantees.....	19
9.0 Financial Records and Statements, Accounting Standards and Currencies.....	20
9.1 Payments and Exchange Rates.....	20
9.2 Financial Records and Financial Statements.....	20
10.0 Mutual Obligations.....	20
10.1 Applicability of IFC Performance Standards and Equator Principles	20
10.2 Prevention of Corruption.....	21
10.2.1 Obligations of the Company.....	21
10.3 Other Applicable Norms.....	22
10.4 Understanding of the Parties	22
11.0 Official employee Access to Project.....	23
12.0 Inspection of Books, Records and Information	23
13.0 State Assurances and Obligations.....	23
13.1 Legislation to Approve Agreement	23
13.2 Tax Stabilization Clause	23
14.0 Fair and Economical Project Operation.....	24

- 15.0 Permits.....24
- 16.0 Expatriates24
- 17.0 Infrastructure24
 - 17.1 Availability of Existing Infrastructure24
 - 17.2 Access to Infrastructure24
- 18.0 Governorates and Landowners25
- 19.0 Company Rights.....25
 - 19.1 Company Hiring Decisions.....25
 - 19.2 Security25
- 20.0 Development Obligations25
- 21.0 Use of Local Goods and Services26
- 22.0 Local Community Development.....26
 - 22.1 Community Development Agreement26
- 23.0 Employment and Training of Local Citizens26
 - 23.1 Minimum Employment Levels26
 - 23.2 Investment in Skills of Local Work Force26
 - 23.3 Management Training and Capacity Enhancement.....27
- 24.0 Labor Standards.....27
 - 24.1 Labor Standards.....27
 - 24.2 Health & Safety27
 - 24.3 Costs, Expenses, and Expenditures.....28
- 25.0 Mining Closure/Post-Closure Obligations.....31
 - 25.1 Closure Plan and Closure Obligations.....31
 - 25.2 Guarantees for Closure Expenses31
 - 25.3 Post-Closure Monitoring32
- 26.0 Rights of Citizens of the State33
 - 26.1 Company Grievance Mechanism33
 - 26.2 Forum for Claims and Disputes Involving Natural Citizens of the State33
- 27.0 Obligations of Contractors and Subcontractors33
 - 27.1 Applicability of Obligations to Contractors and Their Subcontractors33
 - 27.2 Applicability of Obligations to Parent Company, and Affiliates33
- 28.0 Assignment34
 - 28.1 Capacity of Successors and Assigns.....34
 - 28.2 Assignment.....35
 - 28.2.1 Assignment35**
 - 28.2.2 Assignment by EMRA35**
 - 28.3 Release.....35**
- 29.0 Availability of Information36
 - 29.1 This Contract a Public Document.....36
 - 29.2 Certain Information Confidential.....36
- 30.0 Force Majeure; Suspension of Operations for Market Conditions.....37
 - 30.1 Definition of Force Majeure.....37
 - 30.2 Obligations of Party in Event of Force Majeure37
 - 30.3 Extension of Agreement38
 - 30.4 Negotiation in Event of Force Majeure38
 - 30.5 Suspension of Operations38

31.0 Cooperation, Dispute Resolution and Arbitration	38
32.0 Surrender and Termination	39
32.1 Surrender.....	39
32.2 Termination by the MINISTER	39
32.2.1 Termination on Certain Events.....	39
32.3 Termination by the Company	40
32.4 Retention of Assets on Surrender, Expiration or Termination by the MINISTER	40
32.5 Retention of Books and Records.....	41
32.6 Access following Expiration or Termination	41
32.7 Obligations Following Expiration, Surrender or Termination	41
33.0 Notices.....	42
33.1 General.....	42
33.2 Change of Address.....	42
33.3 Delivery Methods	42
33.4 Effective Time of Delivery	42
34.0 Applicable Law	42
35.0 Periodic Review.....	43
35.1 Modification and Review.....	43
36.0 Export of Minerals.....	43
36.1 Entire Agreement	43
37.0 Ancillary Provisions.....	43
37.1 Entire Agreement	43
37.2 Survival of Certain Provisions	44
37.3 Amendment	44
37.4 Severability	44
37.5 Limitations on Waiver	44
37.6 Indemnification by Company and by the State	45
37.6.1 Indemnification for Breach of Agreement.....	45
37.6.2 Indemnification of the State by Company	45
37.7 Governing Language.....	45
37.8 Further Acts	45
37.9 Duplicate Originals	45
37.10 Representations and Warranties	45
38.0 Good Faith	46
Annex A.....	47
Annex A-1	47
Annex A-2	47
Annex B.....	48
Annex C.....	51
Local Business Development Plan.....	51

1.0 Definitions and Interpretation

1.1 Definitions

“Affiliate” means an entity that directly, or indirectly, controls, is controlled by, or is under common control with the Company. For purposes of this definition, “control” means ownership of greater than 50% of the share capital of a company and/or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise.

“Applicable Law” means the law of the State as further defined in Section 35.0.

“Associated Minerals” means the minerals that are found in a small quantity with a specific Mineral at the Mining Area, and in which the specific Mineral cannot be produced without such associated minerals.

“Authority” means the MINISTER competent with the Mineral Resources.

“Central Bank” means the central bank of the State.

“Closure Plan” has the meaning assigned to that term in Section 26.0.

“Company” has the meaning set forth in the Preamble.

“Commercial Production” means Ore produced and saved for regular shipment or delivery according to the production plan approved by EMRA.

“Community Development Agreement” has the meaning assigned to that term in Section 22.1.

“Confidential Information” has the meaning assigned to that term in Section 30.2.

“Consultation” means an open, inclusive, and non-coercive process, conducted in the native language of the participants, for exchange of information, ideas and viewpoints about the potential benefits and impacts of the Project.. Parties shall strive for full prior disclosure of relevant information in advance of any decisions to be taken as part of the Consultation.

“Date of Commencement of Commercial Production” means the day on which EMRA and the Company agreed that production of Ore and its associated minerals has commercially commenced.

“Day” means a calendar business day in the State.

“Debt” has the meaning assigned to that term in Section 8.2(a).

“Documents” has the meaning assigned to that term in Section 2.4.

“Effective Date” has the meaning set forth in the Preamble.

“Environmental Assessment” means a systematic study of the environmental character of the Exploitation Area to establishing a baseline of existing environmental conditions and assessing the Project-related environmental effects and impacts in order to evaluate their significance.

“Environmental Management Plan” means the plan required to be produced and submitted to the EMRA and/or the competent entities in Egypt by the Company under Section 2.4.2.

“Equity” has the meaning assigned to that term in Section 8.2(b).

“Feasibility Study” means the study required to be produced and submitted to the State by the Company under Section 2.4.1.

“Financing Plan” means the plan required to be produced and submitted to EMRA by the Company under Section 2.4.4.

“Force Majeure” means any event or circumstance which either of EMRA or the Company could not reasonably be expected to prevent or control, including among other things, wars, insurrections, civil disturbances, blockades, embargoes, strikes and other labor conflicts, riots, epidemics, earthquakes, storms, floods, , explosions, fire, lightning, acts of terrorism,.

“Good Industry Practice” means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected to be applied by a skilled and experienced person engaged in the international mining industry and includes but is not limited to the guidance provided, as applicable, by the International Council on Mining and Metals, by the IFC Performance Standards, and by ISO 14001 standards.

“State” means the “Arab Republic of Egypt” or “Egypt”.

“IFC Performance Standards” means the International Finance Corporation’s Performance Standards on Social and Environmental Sustainability.

“Independent Sole Expert” means a mining industry professional who has a minimum of ten years relevant experience in mineral generally and specifically in the exploration of the type of deposit under this License and in the activity which that person is undertaking. Furthermore, the Independent Sole Expert must be a member in good standing of a recognised mining industry related professional society. The Independent Sole Expert shall be the same as Competent Person under the Australasian JORC code and a Qualified Person under the Canadian National Instrument 43-101. EMRA and the Company may agree in writing on the Independent Sole Expert, or failing such License within 90 days from the date either EMRA or the Company inform the other of the existence of a matter requires to appoint an expert either Party may request the International Centre for Expertise at International Chamber of Commerce (ICC) to appoint such Independent Sole Expert in accordance with the Rules of ICC for Expertise.

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“Indigenous or Tribal Populations” means those peoples identified as (i) indigenous or tribal peoples in accordance with the basic principles of the Convention Concerning Indigenous and Tribal Peoples in Independent Countries, ILO Convention 169;

“Minerals” means Ore and its associated minerals.

“Exploitation Area” means the area specifically delineated in Annex A-1 of this Agreement.

“Mining Operation” means, subject to compliance with Applicable Law and this Agreement, all work related to the various phases in the mineral development process, including, mine construction, mine development, mining, the reclamation or rehabilitation of and remediation of land, the extraction, beneficiation, transportation, handling, storage and marketing of a mineral substance extracted, the processing of mine tailings and all other activities necessary or convenient to carry out the Company’s rights and obligations under this Agreement, but not including work performed for others.

“Notice” has the meaning assigned to that term in Section 34.0.

“Parties” means MINISTER, EMRA and the the Company.

“Party” means the MINISTER, EMRA or the Company as the context requires.

“Project” means the development, production and reclamation of a Mining Operation under this Agreement, all Mining Operations undertaken in the Mining Area, and all activities in connection therewith, pursuant to and in accordance with this Agreement, including all facilities and infrastructure that are reasonable and necessary for the Project according to Good Industry Practice.

“Project Area” means the Area specifically delineated in Annex A-2 of this Agreement as such area may be modified by the Ministry of Defence based on its needs, the Ministry of Environment based on the Environmental Impact Assessment and Environmental Management Plan.

“Royalty Rate” has the meaning assigned that term in Section 4.1.

“Social Impact Assessment and Action Plan” means the plan required to be produced and submitted to EMRA by the Company under Section 2.4.3.

“Stability Period” means that period of time beginning on the Effective Date and ending on the date of termination of this Agreement.

“Official Employees” means anyone who is appointed, or employee, of any local government, central or local government-owned local government-controlled enterprise, company or organization, who is an individual acting for any such government, enterprise, company or organization.

“Tax” means any levy imposed by the State under Applicable Law on income, goods and services, and the employment, health and welfare of persons.

“Tax Law” means Applicable Law of the State pertaining to any Tax and any subsidiary and associated legislation or regulation.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) The singular includes the plural and vice-versa;
- (b) Headings do not affect the interpretation of this Agreement;
- (c) References to a part, clause, schedule, exhibit and annex refers to a part, clause, schedule, exhibit or annex of, in or to this Agreement;
- (d) A reference to this Agreement includes all schedules, exhibits and annexes to this Agreement;
- (e) A reference to an agreement, deed, instrument or other document includes the same as amended, notated, supplemented, or replaced from time to time;
- (f) A reference to a court is to a court of the State;
- (g) A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued under, that legislation or legislative provision;
- (h) A reference to a day, month or year is relevantly to a calendar day, calendar month or calendar year;
- (i) A reference to Egyptian Pound (EGP) is to the lawful currency of the State;

(j) The expressions “including”, “includes” and “include” have the meaning as if followed by “without limitation”;

(k) No rule of construction is to apply to the disadvantage of a Party on the basis that that Party drafted the whole or any part of this Agreement; and

(l) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

1.3 Existing Rights

The rights, obligations and liabilities of the MINISTER, EMRA and/or the Company under this Agreement and Applicable Law shall continue and bind the MINISTER, EMRA and/or the Company during the term of this Agreement.

2.0 Development of Mining Area

2.1 Term of this Agreement

This Agreement takes effect after issuing a law authorizing the MINISTER to sign this Agreement and shall remain effective for a period not exceeding thirty (30) years commencing from the date of its signature by all the Parties. So long as:

- (i) the Company is not in material default under this Agreement, and
- (ii) this Agreement has not been sooner terminated in accordance with its terms,

2.1.1 Grant of Mine Development Rights

The Company shall have full and complete access to the Mining Area subject to the terms of this Agreement and Applicable Law and the terms of this Agreement, including the rights to:

- (a) Have exclusivity in the exercise of its rights under this Agreement, to the extent necessary for Mining Operations of ore,;
- (b) Make all necessary excavations to mine for..... deposits and, subject to submission of updated Documents if necessary, to re-work mine tailings and dumped materials;
- (c) Construct, within the Mining Area all plant, machinery, buildings, workshops, pipelines and other production facilities which are necessary or convenient for Mining Operations;
- (d) Adjust production schedules, operating rates and manpower levels as necessary and prudent to respond to temporary operating conditions according to Good Industry Practice;
- (e) Stockpile, within the Mining Area products or dump any waste products of mining or mineral processing operations, including tailings;
- (f) Take and use water from waterways, wells and bores, to lay water pipes, to make water races and ponds, dams and reservoirs, and to divert and use any water necessary for the Project, provided that, the Company shall pay the value of the consumed water and the wastewater according to the meters records to be installed by and on the account of the Company;
- (g) Construct and maintain, within the Mining Area all transportation and telecommunication and other infrastructures facilities necessarily required and conveniences and may maintain areas as specified in the Feasibility Study to be necessary or convenient to construct and operate the Project, provided that, the Company must obtain a separate permission from EMRA and/or any competent authority for the use of area(s) other than the Mining Area;
- (h) Cut and utilize timber, and quarry stone, sand, gravel and other construction materials, within the Exploitation Area, for use in construction and operation of the Project, free of charge, to the extent reasonably needed for the Project (but not for any other purpose, including resale); In the event that it is transferred out of the exploitation area, the royalty shall be paid
- (i) Construct and maintain, within the Mining Area, houses, buildings, amenities and incidental facilities for the use of the Company, its contractors, agents and their employees and their immediate families;

(j) Conduct all other Mining Operations, within the Mining Area, as are necessary or convenient to carry out the Company's rights and obligations under this Agreement and engage in all other activities as are reasonably necessary or convenient to carry out the Project consistent with Good Industry Practice; and

(k) Commercialize, sell and export Minerals within the State and internationally, at London Metal Exchange after obtaining the require licenses and permissions.

2.1.2 Grant of Access Rights

Pursuant to the terms of this Agreement and Applicable Law, the Company shall have the right to full and complete access to the Project Area

2.2 Exclusivity

The rights granted to the Company herein to conduct Mining Operations are exclusive within the Mining Area and include the exclusive right to mine for Gold Ore and associated minerals and market Minerals extracted from the Mining Area. EMRA undertakes not to grant any rights to prospect for or to mine minerals in the Mining Area or market minerals from the Mining Area to any third party during the term of this Agreement.

2.3 Legal Title to Minerals

EMRA agrees that the Company will acquire property in and title to the gold ore and associated minerals extracted from Mining Area upon severance of the ore from the land in Mining Area.

2.4 Obligations Prior to starting the exploitation Activity

Within one month of the Effective Date and prior to commencing the exploitation work, the Company shall submit the following documents to EMRA, as further described in this Agreement (collectively, the "Documents"):

(a) Feasibility Study.

(b) Environmental Assessment and Environmental Management Plan.

(c) Social Impact Assessment and Action Plan.

(d) Financing Plan.

(e) Closure Plan, consistent with Section 26.1 of this Agreement;

(f) In addition, the Documents shall be publicly available pursuant to Section 30.1 of this Agreement, subject to the provisions of Section 30.2.

2.4.1 Feasibility Study

The Company shall have a Feasibility Study prepared by (i) an independent third-party or (ii) by the Company and verified by an Independent Sole Expert, on the basis of sound engineering and economic principles in accordance with Good Industry Practice. The Feasibility Study shall include:

- (a) An estimate of minable reserves in accordance with internationally accepted standards;
- (b) A market study for Minerals to be produced in the Mining Area;
- (c) An evaluation of the known deposits for gold and associated minerals within the boundaries of the Mining Area;
- (d) A description of the technology process to be used in each case, with the results of any laboratory or other tests designed to identify technologically appropriate methods for processing gold and associated minerals
- (e) An initial mine plan indicating expected recovery rates;
- (f) A general description of requirements associated with obtaining required permits, including the estimated cost of compliance and implementation of the Environmental Management Plan;
- (g) A description and plans of the area of the Project facilities, including a list of the main structures, machinery and equipment to be used, specification of raw materials and services (including electrical requirements and water);
- (h) An organization chart and requirements for personnel;
- (i) Schedules to initiate construction and construction timetables;
- (j) A description and generalized plans for all infrastructure and associated facilities (such as power, communication, transportation, roads, and fresh and reclaimed water), including a list of main items, structures and raw materials, and an assessment of the potential for sharing such infrastructure with other users in ways that promote sustainable development of the communities in the Project Area;
- (k) Plans for electricity supply for Mining Operations, including reliability and cost of services that includes an assessment of the potential for sharing electrical supplies and infrastructure with other users in ways that promote sustainable development of the communities in the Project Area;
- (l) Plans for disposal of tailings from the ore processing plants and of waste rock and materials from Mining Operations;
- (m) A description of plans for any potential reprocessing of materials or tailings;
- (n) Estimates, accurate to within fifteen percent (15%), of capital costs and operation costs;
- (o) An economic evaluation and financial analysis (estimated rate of return of the investment and cash flow for the various phases of the exploitation), including probable future capital investments and comments on the financial viability of the exploitation;
- (p) To the fullest extent reasonably practicable, detailed proposals with respect to any beneficiation or further processing of Minerals proposed to be carried out by the Company within the State; and
- (q) The estimated Date of Commencement of Commercial Production.

2.4.2 Environmental Impact Assessment and Environmental Management Plan

The Company shall have an Environmental Impact Assessment prepared based on sound engineering and economic principles, having regard to Applicable Environmental Law and Good Industry Practice including IFC Performance Standard 1, establishing a baseline of environmental conditions existing at the Effective Date, and assessing the Project-related environmental effects and impact.

The Company shall also have an Environmental Management Plan prepared based on the Environmental Impact Assessment and sound engineering and economic principles and having regard to Applicable Environmental Law and Good Industry Practice including IFC Performance Standard 1. If prepared by the Company itself, the Environmental Management Plan should be verified by an independent environmental consulting firm recognized as having expertise in the international mining industry. The Environmental Management Plan shall upon request by EMRA or competent entities be made publicly available in a language and in a form required by Applicable Law or instructed by EMRA and shall be placed in the document files identified in Section 30.1 of this Agreement. The Environmental Management Plan shall be and updated prior to any major change to the mine plan. The Environmental Management Plan shall include:

- (i) Measures that the Company intends to use to mitigate adverse consequences of further of the Project as described in the Feasibility Study;
- (ii) Plans for the management, remediation, rehabilitation and control of all environmental aspects of the Project, excluding all historic environmental matters that are not assumed by the Company, including
 - (a) A plan to avoid, minimise, mitigate, rehabilitate and offset, where appropriate, impacts on biological diversity within the Mining Area;
 - (b) A plan for preventing, minimising or mitigating adverse environmental impacts to rivers and other potable water and ensuring that such pollution does not cause unnecessary harm or destruction to human or animal life or fresh water fish or vegetation;
 - (c) Opportunities for the improved management and conservation of natural resources in the Project Area;
 - (d) A plan to avoid or minimize greenhouse gas air emissions (as defined by the Intergovernmental Panel on Climate Change (“IPCC”)) from the Project taking into account economically and commercially feasible technology; and
 - (e) A plan to effectively manage soil resources to allow future use of the surface land consistent with the proposed post mining land use;
- (iii) A description of the actions to be taken during any periods of temporary closure or cessation of operations and for the closure activities to be performed should closure be required prior to the completion of the planned mine life;
- (iv) A plan for concurrent reclamation to the extent practicable;
- (v) A plan to restore all mined areas to a final landform that is safe, stable, and suitable for the proposed post mining land use; and
- (vi) A plan regarding the intended post mining land use in the Project Area.

The Company shall comply with the Environmental Law of the State in force at any time during the period of this Agreement, including any applicable Governorateregulations, including protection of water quality, air quality, quality of land, the preservation of living natural resources, the protection of

biodiversity, and the disposal of hazardous and non-hazardous wastes. Subject to Section 33.2.2, a material failure to comply with Environmental Law, the terms of environmental permits, or of the terms of all mitigation measures and restrictions contained in the Environmental Management Plan, as the same may be amended from time to time, constitutes a breach of this Agreement.

2.4.3 Exploitation costs & expenses

The Company shall have a Financing Plan prepared which shall include such provisions as the Company may determine consistent with its commercial requirements and Good Industry Practice. The Company shall be responsible for raising all of the financing necessary to implement the Financing Plan for the Project.

2.4.4 Compliance with Law; Requested Changes

EMRA shall cause its appropriate officers to review the Documents as promptly as reasonably possible after receipt and to provide comments thereon to the Company of any failure to conform to Applicable Law or to the terms of this Agreement. The Company shall correct any failures to conform to Applicable Law or to the terms of this Agreement or shall submit the matter for resolution pursuant to Section 32.2. If EMRA does not provide comments of any failure of the Documents to conform to Applicable Law or to the terms of this Agreement within ninety (90) Days after receipt of the Documents, the Documents shall be deemed to have satisfied the requirements of this Agreement, provided that the foregoing shall not relieve the Company of its obligation to comply with Applicable Law.

EMRA or competent entities may provide Notice to the Company requesting such revisions of the Environmental Impact Assessment, Environmental Management Plan, Social Impact Assessment and Action Plan, and Closure Plan as are reasonable to contribute to the efficient development of locally required infrastructure and to assist other national and local needs, provided that such requested revisions shall relate to the Project and shall be utilized by the Company in the Project Area, and provided further that such requested revisions shall not materially impact the economic returns of the Company:

(a) If EMRA or competent entities provides Notice of such requested revisions within ninety (90) Days after receipt of the Documents, the Company and EMRA shall meet within thirty (30) Days of EMRA's written notification to the Company as to any requested revisions so that the EMRA and the Company may negotiate revisions to any of the Documents. Both Parties shall establish a time frame within which to revise the Document, which time frame shall not exceed ninety (90) Days of such meeting as to the requested revisions. If both Parties are unable to reach agreement within the said ninety (90) Days, the matter may be referred by either Party for resolution pursuant to Section 32.0.

(b) If EMRA or competent entities does not provide Notice of such requested revisions within ninety (90) Days after receipt of the Documents, the Documents shall be deemed to have satisfied the requirements of this Agreement.

2.5 Construction

.The Company shall start the works under this Agreement within one (1) month from the date on which the Mining Area handed over to the Company and after obtaining all required approvals.

The Company shall construct the Project until its completion in accordance with the Feasibility Study and any non-material changes resulting from engineering and other studies conducted by the Company after completion of the Feasibility Study.

However, the Company may submit to EMRA, a request to temporarily suspend the Exploitation License, provided that, it must in such request the period of suspension and the technical causes attached with the supported documents. EMRA shall have the right to accept such causes and decides the period of suspension, EMRA's decision shall be final.

EMRA shall notify the Company with its acceptance or rejection within a period not exceeding one (1) month from the request's date.

The Company shall, before the expiration of the suspension period by fifteen (15) Days, submit an application to resume the works attached with the fixed fees or, request additional suspension period, if the Company does not overcome the causes of suspension.

The Company shall resume the work if, its application to suspend the work has been rejected or, the period of the suspension has been expired without receiving EMRA's notification to extend the period, otherwise, the Company shall be considered suspending the work without a written permission.

2.6 Objects of an archaeological or historical nature

The Company shall stop the works and notify EMRA in writing to take the necessary action in case the Company finds of any antiquities, fossils or rare geological phenomena in the Mining Area and its location.

Following the finding of any such object in the exploitation area, the Company shall take all reasonable measures to avoid disturbing such object

3.0 Annual Rental

The Company shall pay to EMRA an annual rental fee of twenty-five thousand (25,000) EGP per squared kilometre of the Mining Area, the fraction of the kilometer shall be calculated as one complete kilometer, in accordance with Executive Regulations. Such rental payments shall be paid in advance. The rental value may be amended every three years by a the Prime Minister's Decree upon the proposal of EMRA's Board of Directors and after the proposal of the MINISTER as stipulated in Article (31) of the Executive Regulations of the Mining Law.

4.0 Royalty

4.1 Calculation of Royalty

Royalty shall be calculated at the rate of (...%) of the sales revenue for all Gold and associated minerals to be exploited according to the price for gold published by London Metal Exchange.

4.2 Production Statement

(a) The Company must submit to EMRA a quarterly production statement in accordance with Article (35) of Mining Law starting from the Date of Commencement of Commercial Production occurs and thereafter., The statement shall include in particulars data related to the employees thereof, the extracted ore, the analysis thereof, the transported, stored and sold portions thereof, the average sale prices, the explosives used and the quantities and remainder thereof and the other data set forth in the Executive Regulations to the Mining Law to ensure the seriousness of works. Such data shall be confidential and shall not be disclosed to any entity except in the cases regulated by the Law.

(b) EMRA may give Notice specifying other particulars relating to Project operations necessary for calculation of the royalty be included in the production statement and the Company must comply with any such reasonable request.

4.3 Payment of Royalty

(a) Royalty shall be paid on quarterly installments and the final settlement shall be made by the end of the year. Royalty shall be paid in cash, confirmed bank cheque or electronic payment methods applicable at the time of payment.

The Royalty shall be calculated according to local market prices for each ore in site, local market prices shall be specified by a specialized committee to be formed by the MINISTER's Decree.

An amount of one percent (1%) of the annual production of the ore to be exploited by the Company shall be allocated to participate in the community development in the Governorate at which the Mining is located. Such amount shall be used in construction, building and equipping schools and hospitals and in roads' paving in addition to infrastructure projects (potable water and sanitary sewage), taking into consideration, the poorest villages within the Governorate.

5.0 Customs Duties

5.1 Customs Duties

Subject to Section 21.0 and, the activities subject to the provisions of this Agreement may be exercised under the investment zone system, stipulated in the Investment Law promulgated by Law No. 72 of 2017. Therefore, the Company shall enjoy the incentives stipulated in Articles (10, 11, 12 and 13) of such Investment Law, which do not contradict with the provisions of the Mining Law.

No mining ores may be exported until obtain EMRA's approval, The export of mining ores or other ores, in its initial form, as determined by the Cabinet upon the MINISTER's proposal which have strategic and industrial value can be prohibited unless it has added value.

6.0 Insurance

At all times during the Term of this agreement the Company will maintain, and cause its contractors and subcontractors to maintain, with financially sound and reputable insurers accepted by EMRA, insurance with respect to the Project against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is consistent with Good Industry Practice. If at any time the Company fails to purchase and maintain in full force and effect any and all insurances required under this Agreement, EMRA may, at its sole discretion, purchase and maintain such insurance, and all reasonable amounts incurred by EMRA therefor shall be reimbursed by the Company.

7.0 Taxation

7.1 Taxation - General

(a) The Company shall be subject to all fiscal legislation from time to time in force in the State except where (i) it is exempted wholly or partly from the application of the provisions of a particular Applicable Law pursuant to a validly granted authority under any Applicable Law.

(b) At the end of each fiscal year during the term of this Agreement and subject to the requirements of the Tax authority, the Company shall submit to the competent authority the Tax statement of the preceding year supported by documents.

8.0 Financing

8.1 Foreign Currency Remittance and Availability

(a) Except in the case of generally applicable exchange controls imposed on a non-discriminatory basis subject to the approval of the Central Bank, dealing with foreign currencies shall be subject to the Central Bank, the Banking Sector and Money Law No. 88 of 2003, as amended and all related Decrees.

(b) The Company has the right to establish, maintain and hold funds in bank accounts in Egyptian Pounds and in US Dollars in the State in as well as bank accounts in foreign currency located outside the State.

(c) The Company has the right, subject to the Central Bank, the Banking Sector and Money Law No. 88 of 2003, to freely repatriate abroad and freely dispose of all proceeds (including by way of dividend or other form of distribution) received within the State from the sale, exchange or export of gold and associated Minerals, and any other payments (including loan principal and interest) to be made abroad.

(d) Any obligation originally stated in the State currency shall be converted to US Dollars at the prevailing rate of exchange of National Bank of Egypt.

(e) For purposes of determining compliance by the Company of required payments in the State currency under Applicable Law (including without limitation any Law determining minimum wages), the amount of any payment by the Company made in US Dollars shall be converted to Egyptian Pounds at the prevailing rate of exchange of National Bank of Egypt as of the date of payment.

(f) The Company shall have the right to remit and receive in US Dollars all payments of dividends, interest, principal, management fees and other property payable items arising from, as a result of, or related to the operations of the Project.

(g) EMRA and the Company acknowledge that the Company may:

(i) Obtain, hold, deal with and disburse funds in such manner, currencies and places as it, in its absolute discretion, determines;

(ii) Freely import into the State funds necessary to properly carry out the Project;

(iv) Remit proceeds (in currency or otherwise) and repatriate capital (in cash or assets) outside the State;

(i) Amounts received and expenditure made in Egyptian Pounds or in US Dollars shall be converted from Egyptian Pounds into US Dollars or from US Dollars into Egyptian Pounds on the basis of prevailing rates of National Bank of Egypt for the month in which the relevant transaction occurred.

(j) Amounts received and expenditure made in currencies other than US Dollars or Egyptian Pounds must be converted into US Dollars or Egyptian Pounds on the basis of the monthly average of prevailing rates of National Bank of Egypt for the month in which the relevant transaction occurred.

8.2 Guarantees

(a) The Company's and its Affiliates' capital, property and assets are protected, and shall not be and it is not permitted to be guarded except in the conditions set out in the Applicable Law and by judicial judgment; expropriated shall not be permitted, except for public utilities in accordance with Applicable Law, and with fair compensation paid in advance in accordance with the Applicable Law.

(b) EMRA shall provide the Company an investment regime as favourable as that granted to individuals and foreign investors involved in similarly situated mining operations.

9.0 Financial Records and Statements, Accounting Standards and Currencies

9.1 Payments and Exchange Rates

(a) Unless otherwise specified in this Agreement, payments to EMRA may be made in US dollars or other foreign currency, as instructed by EMRA, which is freely convertible directly to Bank for the account of EMRA.

(b) The payment of the Company's direct obligations to the State for Taxes and duties shall be in Egyptian Pounds, unless otherwise instructed by the competent entity.

(c) In the case of transfer any amounts of Egyptian Pound to US Dollars or vice versa, the transfer rate shall be according to the exchange rate prevailing in the Egyptian National Bank on the day of payment.

9.2 Financial Records and Financial Statements

(a) The Company is responsible for maintaining accurate accounting records according to the Egyptian Accounting Standards and in the absence of provisions, then IFRS standards in a currency agreed upon by EMRA, in order to comply with Applicable Law and this License and to support all fiscal returns or any other accounting reports required by the Applicable Law in relation to the Project.

(b) The Company must keep in the State complete, accurate and up-to-date technical and commercial books and records of all Exploration Operations under this License, including those relating to all revenues, expenditures, all maps, geological, geophysical, mining, technical and other data, records and interpretations, mineral analyses, samples and reports, connected with and arising from such Exploration Operations.

(c) The Company must supply and file such technical and commercial information, reports, returns and statements at such times and in such form as may be required by Applicable Law.

(d) All books and records must be maintained and made available for inspection by an auditor appointed under and in accordance with this License for six (6) years following the calendar year in which the books and records were created or, if longer, the relevant period required by Applicable Law.

(e) The Company shall maintain all financial, employment, commercial and other books and records and comply with all other reporting and filing obligations under Applicable Law and shall conduct its activities in accordance with Applicable Law, Regulations and Directives.

10.0 Mutual Obligations

10.1 Applicability of IFC Performance Standards and Equator Principles

The company shall take all proper measures according to generally accepted methods in use in mining industry to prevent loss or waste gold above or under the ground in any form during exploitation

operations .EMRA has the right to prevent any operation in any mine that it might reasonable except would result in loss or damage to the mine .

Where Applicable Law and regulations on environmental and social impact assessment and management, and pollution prevention are less stringent than the IFC Performance Standards, the Company shall undertake its activities in a manner consistent with the IFC Performance Standards. To remove any doubt, the Company and EMRA recognise that the IFC Performance Standards outline processes to be followed enabling site-specific environmental compliance limits to be developed, where required.

10.2 Prevention of Corruption

10.2.1 Obligations of the Company

(a) The Company, its officers, directors and employees acknowledge and agree that they are subject to the antibribery and anti-corruption provisions of Applicable Law and of the jurisdictions in which the Company is organized or conducts business (collectively, "Anticorruption Laws"), and shall conduct their activities in the State in accordance with their obligations under the Anticorruption Laws.

(b) The Company shall be abide by the following:

- i. Receiving the licensed area and starting to equip the mine for exploitation.
- ii. Starting regular production of ore within the period specified in the license, and EMRA's Board of Directors may grant the licensee another grace period based on its request for reasons subject to EMRA's discretion and according to the Executive Regulations of the Mining Law.
- iii. Maintaining accounting books sufficient to determine its real financial position and to record sold quantities in records, as well as enabling representatives of EMRA to review them on regular and periodical basis.
- iv. Submission of information and reports requested by EMRA.
- v. Enabling concerned State bodies and EMRA's officers and inspectors to access the licensed area, as well as scientific and educational institutions to conduct scientific experiments relevant to its activity without conflicting with the principal activity of the license.
- vi. Known scientific and technical principles, rules of management of mines and adherence to standards of health, safety and environment (HSE).
- vii. Allowing establishment of waterways, canals, drainages, pipelines, supply of electricity, cables, as well as constructing roads and public facilities within the licensed area.

viii. Placing and maintaining signs marking the licensed area.

x. Submission of regular reports as specified in the Law.

xi. Suspending works and notifying EMRA of all antiquities and historical buildings or art objects it may, whether they are historical or non-historical, as well as geological phenomena within the boundaries of the Mine immediately upon finding them, The Company may not resume working in the Mine except after obtaining approval of EMRA; otherwise the license shall be cancelled

(c) The Company shall pay a one-time security amount (Performance Guarantee) equals the rental value for each Exploitation license to guarantee the fulfilment of the conditions of the license, particularly the amounts due to EMRA, or to reinstate things to their original status in cases so require.

the security amount shall be paid in cash, or by a certified bank cheque, or via electronic payment methods applicable at the time of payment, or by virtue of a letter of guarantee issued by an accredited bank, without any restriction or condition, and in which the bank declares to pay an amount equals the required security amount to the order of EMRA upon first request, while disregarding any objection made by the licensee or third parties. The term of the letter of guarantee shall not be less than the term of license, and the security amount held by EMRA or the competent entity shall remain subject to settlement until the expiry of the license and final settlement of dues.

10.3 Other Applicable Norms

EMRA and the Company acknowledge and agree that this Section and all payments made by the Company, or any of its contractors, subcontractors, officers or directors to State entities or Official Employees at any level shall be public information for the competent entities in accordance with the Applicable Law

10.4 Understanding of the Parties

(a) The Company and EMRA understand that:

(i) The offering, solicitation or acceptance of an offer, promise or gift of any pecuniary or other nature, including facilitation payments, whether directly or through intermediaries, to any private party or Official Employees, in order that the private party or a third party act or refrain from acting in relation to the performance of official duties to achieve any favour or to otherwise obtain any business advantage; and

(ii) Any acts complicit in any act described in this Section, including incitement, aiding and abetting, conspiracy to commit or authorization of such acts, are acts inconsistent with the Applicable Law, the Anticorruption Laws and this Agreement are acts subject to appropriate criminal and other enforcement and sanctions.

11.0 Official employee Access to Project

Official Employees shall have the right, at any reasonable time and upon forty-eight (48) hours' Notice, to inspect the Exploration Area at its sole cost and risk and ensure that all Exploration Operations are carried out in accordance with this License and the provisions of Applicable Law.

12.0 Inspection of Books, Records and Information

(a) EMRA has the right to audit the Company's accounts, books and records maintained under this Agreement and Applicable Law for each calendar year within two (2) years from the end of each such calendar year. Any such audit will be at the State's sole cost, performed by and through a technical inspector or/and professionally qualified auditor, completed within twelve (12) months of its commencement, and conducted in a manner which will result in the minimum amount of inconvenience to the Company.

(b) The EMRA's inspector or/and auditor shall have the right in connection with such audit, to visit and inspect, during normal business hours on any Day, all sites, plants, facilities, warehouses and offices of the Company directly or indirectly serving its activities under this Agreement and to visit and question personnel associated with those activities in accordance with Applicable Law.

(c) EMRA shall, and shall ensure that any inspector or auditor shall, use such information only for the purpose for which it was disclosed and not for any other purpose and shall keep confidential all information provided to it or any of its agents, advisors, representatives, officers, directors or employees by or on behalf of the Company or otherwise obtained by it or any of its agents, advisors, representatives, officers, directors or employees in connection with the audit which relates to the Company or the business of the Company

13.0 State Assurances and Obligations

13.1 Legislation to Approve Agreement

(a) EMRA undertakes to use its best efforts to adopt necessary procedures under Applicable Law to ratify this Agreement.

(b) Except as provided in this Agreement, the provisions of this Agreement shall not come into operation until the Effective Date.

13.2 Tax Stabilization Clause

(a) "Stability Period" means that period of time beginning on the Effective Date and ending on the date of termination of this Agreement.

14.0 Fair and Economical Project Operation

Subject to the provision of Applicable Law no material financial burden solely on the Company, whether or not such provision specifically identifies the Company as the target thereof, provided that this prevention shall not apply to any Applicable Law reasonably intended to protect the safety, health, welfare or security of the State or citizens thereof or to fulfil the State's international obligations. The Company shall be bound by all non-discriminatory changes in Applicable Law concerning health, safety, labor, the environment, and to address the proximate human rights impacts of Mining Operations, provided that the changes in social and environmental standards compatible with Good Industry Practice.

15.0 Permits

(a) EMRA undertakes, so far as possible and in accordance with the terms of this Agreement and Applicable Law, to expeditiously provide all necessary approvals and assistance for the development and operation of the Project and as otherwise may be reasonably required by the Company in relation to the rights granted to it under this Agreement. EMRA shall establish simple and expedited procedures for the approval of all Permits required for the construction of the Project in a manner consistent with Applicable Law and so as not to be unreasonably withheld or delayed.

16.0 Expatriates

EMRA shall assist the Company to obtain such permits as may be required to allow expatriates employed by the Company and their immediate family members freely to enter into, reside, and to depart from the State, and permitting such employees to work in the State in connection with the operations of the Project so long as they conduct themselves in accordance with the Applicable Law.

17.0 Infrastructure

17.1 Availability of Existing Infrastructure

EMRA and the Company may, instead of providing for construction of new infrastructure needed for the Project, agree upon reasonable terms and conditions for use of existing infrastructure, if any.

17.2 Access to Infrastructure

To the extent commercially feasible, the Company shall endeavour to plan and develop all forms of infrastructure (including the infrastructure for electrical energy, process water, potable water, communications, sewage, and roads and transportation) in ways that facilitates its shared use by others.

18.0 Governorates and Landowners

EMRA may cooperate with the Company and competent Governorates to resolve disputes between the Company and competent Governorates.

19.0 Company Rights

19.1 Company Hiring Decisions

Subject to Section 24.0, the Company may at all times choose its employees and shall be free to employ such persons who are not citizens of the State as are required for the efficient conduct of the Project, as long as it complies with the ration of foreign to national employees of 1:9 according to the Labor Law. Where Applicable Law stipulates minimum technical qualifications or minimum levels of competence for any technical post, undertakes to recognize equivalent technical qualifications or certificates of competency held by persons who are not citizens of the State, provided that such qualifications and/ or certificates of competency shall have been issued by a recognized institution or statutory authority in any other country employing standards comparable to those in Applicable Law. The Company shall also conduct a program to acquaint all expatriate employees and contractors with Applicable Law and customs of the State.

19.2 Security

The Company shall have the right in keeping with the provisions of Applicable Law, to directly or indirectly or under contract with other persons, establish and maintain its own security guard for the purpose of protecting its staff or maintaining security within the Mining Area, with power both (i) of detention (any detained person to be handed over to the appropriate State authorities immediately), and (ii) exclusion from the Mining Area and such other parts of the Project Area as may be properly restricted for safety or security reasons. Any such security guard will be subject to Applicable Law at all times but shall not have the power of interrogation. The Company shall ensure and monitor that the security guard at all times will conduct itself in accordance with Applicable Law (including all Laws relating to apprehension and detention and human rights) and the Voluntary Principles on Security and Human Rights.

20.0 Development Obligations

(a) The Company must exercise its rights and obligations under this Agreement according to the terms hereof, the Documents, and consistent with Applicable Law and Good Industry Practice .

(b) The Company shall use its best efforts to construct and provide the required facilities and carry out the Project with due diligence, efficiency and economy.

(c) The Company shall use commercially reasonable efforts to optimize the recovery of Minerals and to produce and market Ore removed from the Mining Area at rates contemplated by the Feasibility Study any subsequent feasibility study or any mine plan. All operations shall be conducted consistent with Applicable Law, EMRA instructions and Good Industry Practice .

(d) The Company may not make any material changes to operations detailed in the Feasibility Study unless it first submits those changes to EMRA for comment following the same procedure set forth above for obtaining EMRA comments on the Feasibility Study.

21.0 Use of Local Goods and Services

The Company and its contractors commit to the following:

- (a) Give priority to local contractors and sub-contractors, including EMRA's Affiliated Companies, as long as their performance is comparable with international performance and the prices of their services are not higher than the prices of international contractors and sub-contractors by more than ten percent (10%).
- (b) Give preference to locally manufactured material, equipment, machinery and consumables as long as their quality and time of delivery are comparable to internationally available material, equipment, machinery and consumables. However, such material, equipment, machinery and consumables may be imported for operations conducted hereunder if the local price of such items at the Company's operating base in the A.R.E. is more than ten percent (10%) higher than the price of such imported items before customs duties, but after transportation and insurance costs have been added.

22.0 Local Community Development

22.1 Community Development Agreement

Community Development shall be subject to Applicable Law and to public policy of the Ministry of Social Solidarity.

23.0 Employment and Training of Local Citizens

23.1 Minimum Employment Levels

In selecting employees to carry out its Mining Operations under this Agreement the Company shall give preference to qualified and competent Egyptian executives, officers, engineers, consultants, technicians and skilled and semi-skilled labor residents of the Governorate at which the project is located.

23.2 Investment in Skills of Local Work Force

The Company shall develop and implement an annual training plan with the objectives to:

- (a) Organize training of its employees to upgrade employees' skills and provide further practical experience;
- (b) Train employees in line with the Company's short and mid-term human resource plans; and
- (c) Upgrade selected employees' qualifications by enrolling them in studies inside or outside the State on a contractual basis to further upgrade their professional qualifications.

23.3 Management Training and Capacity Enhancement

The Company on its own account shall develop and implement training programs for EMRA personnel in the State and in other countries, if necessary, in order to qualify them for technical, administrative and managerial positions, with the objectives to:

- (a) Establishing and operating a vocational and training institute to provide vocational, technical and advanced training programs in the community;
- (b) Furnishing on-the-job counterpart training, not only in the State but to the extent reasonably feasible in the offices of the Company in the State and abroad, in order that the beneficiaries may receive training in the overseas aspects of the Company's shipping, marketing and accounting functions;
- (c) Providing scholarships for inhabitants of affected communities to pursue studies, including advanced studies in the State or abroad; and
- (d) Enhancing such training and educational opportunities as already exist in the vicinity of the local community.

24.0 Labor Standards

24.1 Labor Standards

- (a) The Company shall adhere to provisions of Applicable Law on labor.
- (b) The Company, its affiliates, contractors and subcontractors shall observe guidance provided by Applicable Labor Law, EMRA and Good Industry Practice, as well as internationally recognized labor standards in relation to all International Labor Organization agreements to which the State is a Party and shall respect as provided therein the right of its employees to organize.
- (c) The Company, its Affiliates, contractors and subcontractors shall not utilize forced labor, nor shall the Company, its affiliates, contractors and subcontractors utilize child labor, as outlined in the Applicable Law International Finance Corporation Policy Statement on Forced Labor and Harmful Child Labor of March 1998.
- (d) The Company shall adopt a health and safety management system in accordance with the Applicable Law and, in case of lack, similar to ANZI Z10 or OHSAS 18001.

24.2 Health & Safety

- (a) The Company shall observe the provisions of the Applicable Law and Good Industry Practice for the protection of the general health and safety of its employees and of all other persons contracted by the Company having legal access to the area covered by this Agreement.
- (b) The Company shall install and utilize such recognized modern safety devices and observe such recognized modern safety precautions as are provided and observed under Good Industry Practice. The Company shall maintain in a safe and sound condition for the duration of this Agreement all infrastructure and equipment constructed or acquired in connection with the Project and required for ongoing operations.
- (c) The Company shall train its employees in accordance with generally accepted health and safety procedures and practices.

(d) The Company shall construct, maintain, and operate health programs and facilities to serve its employees which programs and facilities shall install, maintain and use modern health devices and equipment and shall practice modern health procedures and precautions in accordance with accepted international medical standards. Any Company-supplied housing shall be built to a standard that provides suitable living environments adequate for health and well-being, and which meet applicable sanitation standards.

24.3 Costs, Expenses, and Expenditures

Subject to the provisions of the Applicable Law and this Agreement, the Company shall bear alone and, directly, pay the following costs and expenses, which shall be considered the wage of the employee and shall be classified and allocated to the activities according to sound and generally accepted accounting principles:

(a) Labor and Related Costs:

- (i) Salaries and wages of the Company's employees directly engaged in the various activities under the Applicable Law and this Agreement, including salaries and wages paid to geologists and other employees who are temporarily assigned to and employed in such activities. Such salaries and wages shall be classified in Accordance with the Applicable Labor Law and Egyptian Accounting Standards and shall be certified by a certified public accounting firm.

Reasonable revisions of such salaries and wages shall be effected to take into account changes in the Company's policies and amendments of Applicable Labor Law. For the purpose of this Article, salaries and wages shall mean the following:

1. the commission entering within the context of labor relation;
2. the percentage, which is the worker may be paid in return for what he produced, sells, or collects all along his charge of the work for which this percentage is prescribed;
3. the increments, whatever the reason for becoming payable, or their kind;
4. the in kind benefits the employer shall pay, without being necessitated by work exigencies;
5. bonuses, any bonus given to the employee in addition to his wage, and all that is paid to him due to his honesty or efficiency, once these bonuses are described in the individual or collective labor contracts or in the work articles of association, as well as that which has become customarily payable once fulfilling the qualities of generality, continuance and constancy;
6. allowance, all that is given to the employee in exchange for specific conditions or risks the employer is liable toin performing his work;
7. the employee's profit share;
8. tip that the employee obtains if it becomes customarily payable and has rules allowing for its determination;

(b) Benefits, allowances and related costs of national employees: Bonuses, overtime, customary allowances and benefits on a basis of the Company's policies and similar to that prevailing for mining companies operating in the A.R.E., all as chargeable. Severance pay shall be charged at a fixed rate

applied to payrolls which shall equal an amount equivalent to the maximum liability for severance payment as required under the Company's policies and A.R.E. Labor Law, whichever is higher.

(c) Material: Material, equipment and supplies purchased or furnished as such by the Company.

(i) Purchases: Material, equipment and supplies purchased shall be accounted for at the price paid by the Company plus any related cost and after deduction of all discounts actually received.

(ii) Material furnished by the Company:

Material, required for operations shall be purchased directly whenever practicable, except that the Company may furnish such material from the Company's or Affiliated Companies' stocks outside the A.R.E. under the following conditions:

(1) New Material (Condition "A")

New Material transferred from the Company or Affiliated Companies warehouse or other properties shall be priced at cost, provided that the cost of material supplied is not higher than international prices for material of similar quality supplied on similar terms, prevailing at the time such material was supplied.

(2) Used Material (Conditions "B" and "C")

a. Used Material which is in sound and serviceable condition and is suitable for re-use without reconditioning shall be classified as Condition "B" and priced at seventy - five percent (75%) of the price of new material.

b. Used Material which cannot be classified as Condition "B" but which is serviceable for original function but substantially not suitable for reuse without reconditioning, shall be classified as Condition "C" and priced at fifty percent (50%) of the price of new material.

c. Used Material which cannot be classified as Condition "B" or Condition "C" shall be priced at a value commensurate with its use.

d. Tanks, buildings and other equipment involving erection costs shall be charged at applicable percentage of knocked - down new price.

(3) Warranty of material furnished by the Company: The Company does not warrant the material furnished beyond or back of the dealer's or manufacturer's guarantee, and in case of defective material, credit shall not be recorded until adjustment has been received by the Company from the manufacturer(s) or its (their) agents.

(d) Transportation and Employee Relocation Costs:

(i) Transportation of material, equipment and supplies necessary for the conduct of the Company's activities.

(ii) Business travel and transportation expenses to the extent covered by the Company's established policies of or with regard to expatriate and national employees, as incurred and paid by, or for, employees in the conduct of the Company's business.

(iii) Transportation and relocation costs for national employees to the extent covered by established policies.

(e) Services:

(i) Outside services: The costs of contracts for consultants, services and utilities procured from third parties. In addition to rents of equipment and machineries and other tools relevant Exploitation.

(ii) Cost of services performed by the Company or Affiliated Companies in facilities inside or outside the A.R.E. Regular, recurring, routine services, such as interpreting magnetic tapes and/or other analyses, shall be performed and charged by the Company or their Affiliated Companies at the prevailing competitive market rate for such services. Major projects involving engineering and design services shall be performed by the Company or Affiliated Companies at prevailing competitive market rates.

(iii) Use of the Company's or Affiliated Companies' wholly owned equipment shall be charged at a rental rate commensurate with the cost of ownership and operation, but not in excess of competitive rates then prevailing in the A.R.E.

(iv) Company's and Company's Affiliated Companies' rates shall not include any administrative or overhead costs.

(f) Damages and Losses: All costs or expenses, necessary to replace or repair damages or losses incurred by fire, flood, storm, theft, accident or any other cause not controllable by the Company through the exercise of reasonable diligence. The Company shall furnish EMRA with a written notice of damages or losses incurred in excess of ten thousand U.S. Dollars (\$10,000) per occurrence, as soon as practicable after report of the same has been received by the Company.

(g) Insurance and Claims: The cost of any public liability, property damage and other insurance against liabilities of the Company and/or the Parties or any of them to their employees and/or outsiders as may be required by the laws, regulations and rules of the State or as the Parties may agree upon. The proceeds of any such insurance or claim collected, less the actual cost of making a claim, shall be credited against operations.

If no insurance is carried for a particular risk, in accordance with good international mining industry practices, all related actual expenditures incurred and paid by the Company in settlement of any and all losses, claims, damages, judgments and any other expenses, including legal services.

(h) Indirect Expenses: Camp overhead and facilities such as shore base, warehouses, water systems, road systems, salaries and expenses of field supervisory personnel, field clerks, assistants, and other general employees indirectly serving the Area.

(i) Legal Expenses: All costs and expenses of litigation, or legal services otherwise necessary or expedient for the protection of the Area, including attorney's fees and expenses as hereinafter provided, together with all judgments obtained against the parties or any of them on account of the operations under the Agreement, and actual expenses incurred by any party or parties hereto in securing evidence for the purpose of defending against any action or claim prosecuted or urged against the operations or the subject matter of the Agreement. In the event actions or claims affecting the interests hereunder are handled by the legal staff of one or more of the parties hereto, a charge commensurate with the cost of providing and furnishing such services shall be made to operations.

(j) Administrative Overhead and General Expenses:

(i) While the Company is conducting Exploration operations, the cost of staffing and maintaining the Company's head office in the A.R.E. and/or other offices established in the A.R.E. as appropriate other than field offices and excepting salaries of employees of the Company who are temporarily assigned to and directly serving on the Area.

(ii) While the Company is conducting operations, the Company's personnel engaged in general clerical and office work, supervisors and officers whose time is generally spent in the main office

and not the field, and all employees generally considered as general and administrative and not charged to other types of expenses shall be charged to operations. Such expenses shall be allocated each month between Exploration and Development operations according to sound and practicable accounting methods.

(k) Taxes: All taxes, duties or levies paid in the A.R.E. by the Company with respect to this Agreement.

(l) Other Expenditures: Any costs, expenses or expenditures, other than those which are covered and dealt with by the foregoing provisions of this Section 24.3, incurred by the Company under approved work plans and budgets.

25.0 Mining Closure/Post-Closure Obligations

25.1 Closure Plan and Closure Obligations

(a) The Company shall prepare and deliver a closure plan to EMRA pursuant to Section 2.4(e) of this Agreement ("**Closure Plan**"). The Closure Plan shall address the anticipated environmental, social and economic state of the Project Area during the next five-year period of Mining Operations and shall be prepared in Consultation with EMRA in accordance with the Applicable Law. It shall be consistent with any Community Development Agreements, and prepared consistent with guidance provided by the Planning for Integrated Mine Closure Toolkit and related guidance published by the International Council on Mining and Metals. The Closure Plan shall be updated through the same process by which it was prepared each time that there is a substantial change in Project operations. In the event that no such updated Closure Plan has been submitted for five (5) years, the Company shall deliver an updated Closure Plan on the sixth anniversary of the last such submission.

(b) The Company shall, deliver to EMRA a proposed final Closure Plan not later than twelve months before the planned end of the Commercial Production. After review and comment by EMRA (with or without modification), the Company shall deliver the final Closure Plan to EMRA by the planned end of Commercial Production. The final Closure Plan may be amended by agreement between the Company and EMRA, during the performance of closure activities, at the request of the Company or EMRA, subject to any approval required by Applicable Law.

(c) After cessation of Commercial Production, the Company shall continue to perform the required environmental management of the Project Area as set forth in the Environmental Management Plan and the final Closure Plan. (d) After cessation of Commercial Production, the Company shall provide to EMRA every 180 Days a report explaining progress in the implementation of the final Closure Plan.

(e) Upon completion of the final Closure Plan, EMRA shall inspect the Mining Area and provide the Company with Notice as to whether the Company has completed closure in accordance with the final Closure Plan.

25.2 Guarantees for Closure Expenses

The Company shall within ninety (90) Days of the Effective Date, provide a mine closure guarantee to EMRA. The purpose of this mine closure guarantee is to ensure the completion of the Company's Closure Plan.

(a) The mine closure guarantee shall be in an amount calculated to be necessary to implement the Closure Plan should the Company fail to implement the Closure Plan during the five-year period covered by the then current Closure Plan. The amount of the guarantee shall be updated any time the Closure Plan is updated, or with the five-year update of the Closure Plan under Section 25.1, so that it

continues to be sufficient to ensure that all steps in the Closure Plan can be completed in a satisfactory manner should the Company fail to implement the Closure Plan.

(b) The mine closure guarantee shall consist of financial assurance in the amount and form required by EMRA.

(c) During the life of the Project, if there is any substantive change in the Mining Operation, or there is any other event that means that the amount of the mine closure guarantee is no longer an accurate estimate of the amount necessary to implement the Closure Plan should the Company fail to implement it, the amount of the guarantee shall be recalculated, and increased or decreased accordingly, and any additional payment or repayment shall be promptly made.

(d) EMRA shall return to the Company the full sum of the Company's mine closure guarantee within ninety (90) Days following verification by EMRA that the Company has fulfilled all the obligations of the final Closure Plan. EMRA is permitted to inspect the Mining Area prior to approval to confirm the obligations in the Closure Plan have been fulfilled. Upon return of the Company's guarantee, EMRA must itemize the sum of any amount withheld from the returned guarantee due to any alleged lack of compliance with the Closure Plan.

(e) EMRA may use any mine guarantee monies and any investment returns on such mine closure guarantee monies only for the purposes of implementing the Closure Plan should the Company fail to implement it, and for no other purpose.

25.3 Post-Closure Monitoring

The Company shall in Consultation with EMRA and local competent entities, if needed, develop and implement a post-closure monitoring committee, with the mandate to supervise the monitoring of geophysical stability, water quality, and rehabilitation of contaminated sites and restoration of land for post-closure use. The post-closure monitoring shall take place for a period after the cessation of Commercial Production, the length of which shall be agreed in the Closure Plan.

26.0 Rights of Citizens of the State

26.1 Company Grievance Mechanism

(a) The Company shall, at its own expense, promptly respond to communities' concerns related to the Mining Project as outlined in paragraph 23 of IFC Performance Standard 1.

(b) Where not established under a community development agreement, the Company will establish a grievance mechanism to receive and facilitate resolution of the affected communities' concerns and grievances about the Company's environmental and social performance. The grievance mechanism should be proportionate to the risks and adverse impacts of the Project. The grievance mechanism should be established in Consultation with EMRA, through an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost to the affected communities and without retribution. The mechanism should not impede access to judicial or administrative remedies. The Company shall inform the affected communities about the mechanism in the course of its community engagement process.

26.2 Forum for Claims and Disputes Involving Natural Citizens of the State

A natural citizen of the State who has a claim or dispute regarding the Project may submit such claim or dispute for resolution under Applicable Law, or under an applicable customary law dispute resolution mechanism recognized under Applicable Law. The Company consents to the jurisdiction of local institutions for these purposes.

27.0 Obligations of Contractors and Subcontractors

27.1 Applicability of Obligations to Contractors and Their Subcontractors

(a) Any agreement between the Company and contractors or subcontractors shall contain appropriate terms by which the contractor or subcontractor shall acknowledge the terms of this Agreement to the extent applicable to the activities undertaken by the contractor and its subcontractors.

(b) The Company shall ensure that its supervision and management of its contractors and their subcontractors is sufficient to inform it of when the practices of its contractors or their subcontractor may ever place them, or the Company, at risk of violating this Agreement.

(c) Nothing in this Agreement shall exempt the Company from any and all obligations under this Agreement despite the delegation of such obligations to a contractor or its subcontractors.

27.2 Applicability of Obligations to Parent Company, and Affiliates

The Company shall ensure that its Affiliates to the extent reasonable and appropriate under Applicable Law, comply with the terms of this Agreement as if they were party to it.

28.0 Assignment

The Company may, subject to prior written approval by EMRA, assign all or part of its rights, interest and obligations under this Agreement to a third party. The application for assignment shall be submitted to EMRA on the form prepared for such purpose according to Article (3) of the Executive Regulations, along with applicable fees. The following requirements shall be satisfied before approving such assignment:

1. The assignor should have fulfilled all its respective obligations provided for in this Agreement at the time of assignment.
2. The assignor is recorded at the register of qualified persons at EMRA.
3. The assignee has financial capability and technical efficiency.
4. The assignee shall comply with all the conditions of this Agreement.
5. The assignor shall pay two folds of the annual rental value to EMRA upon submission of the assignment application.
6. The assignee shall pay the security stipulated by EMRA or the competent entity.
7. The assignee shall submit a work plan for the remaining period of the license.

In case of partial assignment, the assignor and the assignee shall be deemed jointly and collectively guarantee all the obligations towards EMRA, which are specified in this Agreement.

In case of sale of all or part of equity shares of a licensed juristic person, EMRA shall be notified thereof.

Full assignment of this Agreement shall result in the transfer of licenses related thereto to the assignee. Such transfer shall - in case of partial assignment -- be limited to the rights and obligations according to the assigned share. Such partial assignment shall not have any effect without an approval of the competent authority.

28.1 Capacity of Successors and Assigns

No assignment of any or all of the Company's rights hereunder shall be made, and none shall be effective, if the assignee lacks the technical, financial and managerial capacity to honour the obligations in this Agreement.

28.2 Assignment

28.2.1 Assignment

During the first Exploration period, the Company may not assign all or part of its rights and obligations arising from this License, unless such assignment is to an Affiliated Company and provided that the assignment request shall have EMRA's prior written approval and the MINISTER's approval. The Assignment request shall be submitted to EMRA on the Form provided for in Article 3 of the Executive Regulations accompanied with the prescribed fees.

In order to consider the assignment application, the following conditions must be met:

1. The assignor must have fulfilled all of its obligations under the license at the time of the assignment.
2. The assignee must be registered in the qualified record at EMRA.
3. The assignee must have the technical capability and financial ability.
4. The assignee must comply with all the terms and conditions of the License.
5. The assignor must pay double of the amount of annual rent to EMRA when applying for the assignment.
6. The assignee must submit the guarantee required by EMRA.
7. The assignee must submit a work programme of for the remainder of the License period.

In the case of partial assignment, the assignor and the assignee shall be jointly liable to EMRA in all the obligations stipulated in the license.

In the event of the sale of all or part of the shares of ownership to the licensed judicial person, EMRA must be notified.

The whole assignment of the License entails the transfer of associated and affiliates licenses to the assignee, in the case of partial assignment, this transfer shall be limited to the rights and obligations as much as the assigned share. The waiver shall not produce any effects until the MINISTER's approval.

In the event that the Company is a consortium of more than one member, all members of this consortium shall be jointly liable for fulfilling all the obligations and requirements under this License, and neither of them may assign or exit from this consortium before the end of the First Exploration Period, unless the assignment is to an Affiliated company, provided that the request for the assignment must have EMRA's prior written approval the Minister's approval.

28.2.2 Assignment by EMRA

EMRA shall have the right without consent of the Company to transfer or assign its rights or obligations in this License to any of its affiliates, provided that EMRA must have the MINISTER's approval.

28.3 Release

On any effective assignment of this Agreement to a third party approved by the State, the Company and the Parent Company shall be released from liabilities under this Agreement to the extent assumed by the third party.

29.0 Availability of Information

29.1 This Contract a Public Document

(a) This agreement and the Documents required to be submitted under Section 2.4, by any past and present Parties is a public document and shall be open to free inspection by any appropriate Official Employee.

(b) There shall be a presumption that any information regarding this Agreement, or the activities taken under this Agreement is public, other than Confidential Information.

(c) All reports and submissions by the Company to EMRA, and all responses by EMRA, are freely available on request to EMRA or the Company, provided that Confidential Information may be redacted prior to disclosure.

(d) The Company shall maintain document files to facilitate public access to this Agreement and the Documents, and informed participation in all Consultation required by this Agreement. These files shall contain this Agreement, the Documents, all adopted updates and amendments thereto, and information on payments and reporting under Section 29.0 of this Agreement. These files shall be maintained at the Company's and the Authority's offices and shall be open to Official Employees and competent entities during normal business hours

(e) On payment of a reasonable fee prescribed by EMRA, any competent person shall be entitled to obtain a copy of this Agreement from the appropriate EMRA office or at the Company's offices listed above.

29.2 Certain Information Confidential

(a) Confidential Information shall be retained by the State and the Company in strictest confidence and shall not be disclosed to any third party without the express prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, provided that the Company's consent shall be deemed given if not withheld in writing within 24 hours after the State notifies the Company in writing of an emergency situation where disclosure is required to protect the health, safety, and security of the citizens

(b) "**Confidential Information**" shall mean:

(i) Information that is by law confidential under Applicable Law;

(ii) Personnel matters, health records of individual employees, or other documents in which employees or others have a reasonable expectation of privacy and other matters that involve the privacy of individuals;

(iii) Confidential technical or proprietary information regarding equipment, process innovations, or business secrets;

(iv) Confidential legal matters, including advice from attorneys;

(v) The Company's intellectual property related to the Project, including geological information and mineral reserves;

(vi) Information (other than Confidential Information) obtained in the course of an audit as set forth in Section 11.0 above;

(vii) Information disclosed to the other Party to this Agreement designated as "Confidential" by Notice to the other Party at the time of its initial disclosure to such Party, provided that such designation shall be deemed to be a representation that the disclosing Party has reasonably determined after review of such information that maintaining the confidentiality of such information is necessary to protect business secrets or proprietary information.

(c) The term "Confidential Information" does not mean or include information that:

(i) becomes publicly available without wrongful disclosure;

(ii) was obtained by a Party from a third party who is not known by the obtaining Party to be under any obligation of confidentiality with respect to such information;

(iii) is required to be disclosed by Applicable Law, by any law to which the Company is subject, by any court proceeding or arbitral award, or by any applicable rule of a stock exchange;

(iv) is disclosed to Affiliates, professional advisers, potential providers of finance, bona fide potential purchasers; or

(d) The Company and EMRA shall implement the Extractive Industries Transparency Initiative (EITI) and, where appropriate, the Company shall contribute to EMRA's implementation of the EITI by becoming an EITI supporting company. The Company shall comply with requirements of the Extractive Industries Transparency Initiative with respect to all payments and reporting to be made pursuant to this Agreement. Breach by the Company of these provisions shall not excuse compliance by the other Party.

30.0 Force Majeure; Suspension of Operations for Market Conditions

30.1 Definition of Force Majeure

"Force Majeure" shall be any act of God, insurrection, riot, war, strike, and other labor disturbance, fires, floods or any cause not due to the fault or negligence of EMRA or the Company, whether or not similar to the foregoing; provided that any such cause is beyond the reasonable control of EMRA or the Company.

30.2 Obligations of Party in Event of Force Majeure

If EMRA or the Company is prevented from complying with this Agreement, in whole or in part, by an event or circumstance of Force Majeure, it shall give written Notice to the other Party as soon as practicable after its occurrence (specifying the nature of the event or circumstance, what is required to remedy the event or circumstance – if remedy is possible, the estimated time to cure or overcome the event or circumstance, and the obligations that cannot be properly or timely performed on account of the event or circumstance) and the obligations of that Party other than the payment of money due, the performance of which are prevented by the Force Majeure event or circumstance shall be suspended during the continuance of such Force Majeure.

30.3 Extension of Agreement

The term of this Agreement shall be automatically extended for the period of the Force Majeure, provided that the whole term of this Agreement shall not be extended beyond thirty (30) years from the Effective Date.

30.4 Negotiation in Event of Force Majeure

If an obligation is suspended by reason of Force Majeure for more than one (1) year, the Parties shall enter into good faith negotiations to revise the terms of this Agreement to reflect the changes circumstances, provided that this Agreement shall remain in effect during the period during which the parties are negotiating the terms of any such revision, provided that nothing in this Agreement shall require the Company to settle any strike or other labor dispute otherwise than on terms acceptable to it, or to contest the validity or enforceability of any law, regulation, order, determination, or other legal proceeding.

30.5 Suspension of Operations

The Company may submit a request to temporary suspend its license of Exploitation; however, it shall mention the requested period of suspension and the technical reasons and justifications thereof, and shall attach documents proving them thereto. EMRA has the right to accept those reasons and to determine the reasonable period of suspension. EMRA's decision in this regard shall be final.

EMRA shall notify the Company of accepting or declining its request in no later than one (1) month from the date of submitting such application.

The Company shall submit application for resuming its work, together with set fees fifteen (15) days before the expiry of the suspension period.

The Company has the right, before the end of the suspension period by fifteen (15) days, to request another period of suspension in case the Company could not overcome the reasons that caused such suspension.

The Company shall resume working at the Mine in case said request is declined or due to the expiry of the requested period without being notified by EMRA of the extension of the suspension period, otherwise it shall be considered suspending works without a written permission.

31.0 Cooperation, Dispute Resolution and Arbitration

(a) Any dispute, controversy or claim arising out of interpreting any article relating to this Agreement or the breach, termination or invalidity thereof, between the State and EMRA or the Company shall be referred to the competent courts of State Council in A.R.E. and shall be finally settled by such courts

(b) Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, between EMRA and the Company shall be settled by arbitration in accordance with the Arbitration Rules of the Cairo Regional Center for International Commercial Arbitration (the "Center") in effect on the date of this Agreement. The award of the arbitrators shall be final and binding.

(c) The number of arbitrators shall be three (3).

(d) Each party to the arbitration shall appoint one (1) arbitrator. If, within thirty (30) days after receipt of the claimant's notification of the appointment of an arbitrator the respondent has not notified the claimant in writing of the name of the arbitrator he appoints, the claimant may request ("the Center") to appoint the second arbitrator.

(e) The two (2) arbitrators thus appointed shall choose the third arbitrator who shall act as the presiding arbitrator of the tribunal. If within thirty (30) days after the appointment of the second arbitrator, the two arbitrators have not agreed upon the choice of the presiding arbitrator, then he shall be appointed by and according to the Cairo Regional Center for International Commercial Arbitration rules. Such presiding arbitrator shall be a person of a nationality other than the A.R.E or the Company's nationality (ies) and of a country which has diplomatic relations with both the A.R.E. and the Company's country(ies) and who has no economic interest in the mining business of the signatories hereto.

(f) The arbitration, including the making of the award, shall take place in Cairo, A.R.E.

(g) The decision of the arbitrators shall be final and binding upon the Parties, including the arbitration fees and all related issues and the execution of the arbitrator's decision shall be referred to the competent courts according to the Egyptian law No 27 of year 1994 as amended.

(h) Egyptian law shall apply to the dispute except that in the event of any conflict between Egyptian laws and this Agreement, the provisions of this Agreement (including the arbitration provision) shall prevail. The arbitration shall be conducted in both Arabic and English languages.

32.0 Surrender and Termination

32.1 Surrender

(a) The Company may surrender its rights under this Agreement by Notice to EMRA signed by an authorized Company representative on:

(i) Sixty (60) Days' Notice under this Agreement at any time before the Date of Commencement of Commercial Production; and

(ii) Six months' Notice under this Agreement after the Date of Commencement of Commercial Production.

(b) Once an effective surrender is made, the Company shall have no obligations and liabilities under this Agreement except as specifically provided herein to the contrary.

(c) The Company shall remain liable for all obligations accrued before the effective date of the surrender and also for the obligations that must be fulfilled after termination, except for the Project completion and the cost and payment obligations specified in this Agreement.

32.2 Termination by the MINISTER

32.2.1 Termination on Certain Events

The MINISTER after obtaining the approval of EMRA's Board of Directors may terminate this Agreement, without prejudice to any other rights that he may have, if any of the following events occur:

- (a) Failed to pay the rental value or the royalty within sixty days from its due date;
- (b) Violation of any of the provisions of Mining Law or its Executive Regulations;
- (c) Violation of any of the terms or conditions of this Agreement.
- (d) The issuance of an enforceable judgement declaring the licensee bankrupt.
- (e) Liquidation, dissolution or expiry of the duration of the Company.
- (f) Non-commencement of the works subject of this Agreement for a period not exceeding one month from the date of taking hold of the Mining Area for causes attributable to the Company, or the stoppage of work without a written permission from EMRA, for six consecutive months.
- (g) Assignment of the Agreement to third parties or subletting the licensed area without a written approval from EMRA.
- (h) If the Company stores the extracts in a land outside the boundaries of the Mining Area without concluding a lease contract therefor.
- (i) If it is established that the Company extracts ores from an area outside the licensed Mining Area.
- (j) If the Company violates the operation conditions and does not remove the violation within sixty (660) days from the date of warning him by EMRA.
- (k) If it is established that the licensed area is polluted due to a cause attributable to the Company and the Company does not remedy it, in spite of warning him by EMRA or the Competent Body, as the case may be.
- (l) If the Company submits false data or documents established to be falsified to EMRA or the competent entities, as the case maybe.

32.3 Termination by the Company

The Company may terminate this Agreement without prejudice to any other rights it may have if EMRA commits a material breach of a fundamental provision of this Agreement and fails or neglects to diligently and consistently pursues a course of action that is reasonably intended to remedy that breach within sixty (60) Days after the Company gives Notice requiring that the breach be remedied.

32.4 Retention of Assets on Surrender, Expiration or Termination by the MINISTER

(a) On the expiration of this Agreement, its termination by the MINISTER, or the surrender of this Agreement by the Company, EMRA shall has the option (subject to the rights of third parties, if any) to acquire any or all other property of the Company not otherwise required by the Company for mining operations at the lesser of net depreciated book value for income Tax purposes, or at fair market value, whichever is the lesser.

(c) EMRA may require the Company to remove any property not acquired by EMRA or otherwise comply with the environmental rehabilitation plan for the Mining Area.

(d) The Company shall move the stored quantities from the Mining Area, as well as its equipment and machinery, within a period not exceeding three (3) months from the date of the expiry of the Agreement. The Company shall pay a compensation equivalent to the double of the rental value for that period. In case the Company does not move them during the period referred to, EMRA or the competent entity, as the case may be, may move the equipment and machinery outside the Mining Area at the expense of the Company. It may also sell the stored quantities of the ore or material fearing of damage or theft or depreciation or if they hinder the use of the Mining area.

If no royalty is paid for the stored quantities, the royalty due thereon shall be taken from the sale value in accordance with the provisions of the Executive Regulations.

The competent court may decide the devolution of the ownership of the remaining stored quantities or the equipment or machinery, located in the Mining Area, to EMRA.

32.5 Retention of Books and Records

No books and records of the Company may be removed from the State on the expiration, surrender or termination of this Agreement for a period of five (5) years without the prior consent of EMRA, except that the Company may obtain copies of the books and records of the Project and hold these outside the State.

32.6 Access following Expiration or Termination

On the expiration of this Agreement, its termination by the MINISTER, or the surrender of this Agreement by the Company, the Company shall have the rights to access and use the Project Area for a period not exceeding three (3) months, The Company reasonably determines access is necessary to permit it to exercise, fulfil, or discharge its accrued rights and obligations under this Agreement.

32.7 Obligations Following Expiration, Surrender or Termination

(a) On the expiration, surrender or termination of this Agreement by the MINISTER under this Agreement, the Company must:

- (i) Make the Mining Area safe to the reasonable satisfaction of EMRA so as to prevent injury to persons, livestock or other property, and to prevent offsite damage;
- (ii) Comply with the Environmental Management Plan or the Closure Plan as required to avoid imminent damage to the environment; and
- (iii) Otherwise comply with the provisions of the Agreement and Applicable Law.

33.0 Notices

33.1 General

All notices to be made or given by a Party hereunder (each, a “Notice”) shall be in writing and delivered:

To [the MINISTER]:

To [EMRA]

To [COMPANY]:

33.2 Change of Address

A Party may change its address by Notice to the other Party.

33.3 Delivery Methods

All Notices shall be given:

(a) By personal delivery (including courier), which shall be deemed to have been delivered on the day on which it shall have been delivered to an apparently responsible person at the address listed in Section 33.1;

(b) By registered mail, charges prepaid; or

(c) By electronic transmission, signed by the sender and marked for the attention of the person identified above, with a hard copy mailed to the address above.

33.4 Effective Time of Delivery

All Notices shall be effective and shall be deemed received on the date of personal delivery or delivery by registered mail at the address of the addressee established pursuant to this Agreement, if delivered during normal business hours on any Day, and if not delivered during normal business hours, on the next business Day following delivery. A Notice given by electronic transmission shall be deemed received on the next business Day following the date of transmission.

34.0 Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State, (“Applicable Law”).

35.0 Periodic Review

35.1 Modification and Review

This Agreement shall upon written request of a Party, be subject to periodic review once every five (5) years, except the rental fees may be reviewed and amended by the Prime Minister Decree every three (3) years, after the Effective Date for the purpose of good faith discussions to consider any proposed modification(s) to this Agreement as may be necessary or desirable in the light of any substantial changes in circumstances that may have occurred during the previous five (5) years, or experience gained in that period. The Parties agree always to be open to discussing any matter which may help maximize the positive development benefits of the Project or minimize its undesirable impacts. Nothing herein shall preclude a Party from requesting the other Party to initiate discussions regarding any provision herein, provided that this Agreement shall remain in effect during the period during which the Parties are conducting such discussions.

36.0 Export of Minerals

36.1 Entire Agreement

- (a) No mineral ores may be exported, except after obtaining EMRA's approval. The export of ores may be prohibited in case they have a strategic and industrial value, except in case of creating an added value thereof, or if they are used to execute industrial project, together with other ores as may be specified by the Cabinet based on the proposal of the MINISTER, whenever necessary.
- (b) The application for obtaining an export approval of consignments required to be exported shall be submitted twice a year, and shall include quantity, price of sale, source of ore and the importing entity, supported by documents; provided that the quantity being exported shall be eventually deducted from the quantity previously approved.
- (c) For exportation, it is conditional that the ores of mines, be extracted according to a valid license having a statement of production.
- (d) The approval applicant shall submit a copy of agreement, purchase invoice for any party other than the Company, and a sale invoice stating the importing state, quantity, price and the forms prepared for such purpose by the Customs Authority. The approval shall be executed on a certificate bearing the watermark prepared by EMRA. All of the foregoing shall apply to all ores of mines, even if grinding or cutting processes are carried out thereon, while they remain in their raw forms.

37.0 Ancillary Provisions

37.1 Entire Agreement

This Agreement and the documents referred to within, contain the entire understanding and agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings as between the Parties except where noted herein. All annexes, schedules and exhibits to this Agreement are incorporated by reference and form part of this Agreement.

37.2 Survival of Certain Provisions

Notwithstanding termination of this Agreement by either Party or for any reason, including a termination due to a finding that this Agreement or a portion thereof is void, invalid, or unenforceable, Sections [5.2, 7, 9.2, 12 (a), 24.3 (c) 3, 31, 32.5 and 32.7] shall survive such termination and shall remain effective as to any matters which are the subject of this Agreement or which arise out of, in relation to or in connection with this Agreement. Moreover, any such termination shall be without prejudice to rights, duties and obligations that have accrued prior to termination and, notwithstanding such termination, such provisions of this Agreement as are reasonably necessary for the full enjoyment and enforcement of such rights, duties and obligations shall survive such termination for the period necessary.

37.3 Amendment

This Agreement shall not be amended, modified, or supplemented except by an instrument in writing signed by the Parties. Any purported amendment, modification or supplement of this Agreement not in writing signed by the Parties shall be null and void.

37.4 Severability

The provisions of this Agreement shall be separate and severable each from the other to the extent that if any portion or any one provision or portion thereof is held to be inoperative or unenforceable in any jurisdiction then the remainder of this Agreement shall remain binding upon and enforceable by the Parties hereto in that jurisdiction and shall be construed as if the Agreement had been executed without such inoperative or unenforceable provision or portion thereof, provided that the provision or portion so severed shall not materially affect the remainder of this Agreement.

37.5 Limitations on Waiver

The failure of any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of the provision or any part thereof or the right of any Party thereafter to enforce each and every part of the provision in respect of any subsequent default or breach.

(a) The rights of each Party under this Agreement:

(i) may be exercised as often as necessary;

(ii) shall be the exclusive and sole remedies of the Parties with respect to any breach, default, or Notice of termination under this Agreement or any dispute relating thereto or otherwise relating to this Agreement or its subject matter; and

(ii) may be waived only in writing and specifically.

(b) Delay in exercising or non-exercise of any such right is not a waiver of that right.

37.6 Indemnification by Company and by the State

37.6.1 Indemnification for Breach of Agreement

Any breach by a Party to this Agreement of any obligation provided for in this Agreement, shall entitle the Party aggrieved by the breach to be indemnified by the defaulting Party in an amount equal to the damage suffered by the aggrieved Party. Any Party, in the event of such breach, may retain as a set-off any amounts it owes to the Party in breach of Taxes and Duties or for any other purpose, including any amounts collected or withheld from third parties for the other Party pursuant to any Applicable Law or agreement.

36.6.2 Indemnification of the State by Company

The Company shall at all times indemnify and hold harmless EMRA and the State and their officers and agents from all claims and liabilities for death or injury to persons or damage to property from any cause whatsoever arising out of Mining Operations to the extent that the same arises from its failure to comply with any Applicable Law to which it is subject or the terms of this Agreement.

37.7 Governing Language

This Agreement will be provided and executed in the Arabic and English languages, with each Party retaining one copy in each language and the Parties agree that in the event of any legal dispute in the interpretation of this Agreement, the Arabic version shall prevail.

37.8 Further Acts

The Parties shall execute such documents and do and perform such acts that lie within their power and are necessary to give full effect to, and to give each other the full benefit of, this Agreement.

37.9 Duplicate Originals

This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one original.

37.10 Representations and Warranties

Each Party warrants to each other Party that at the date of this Agreement it has full power and lawful authority to execute and deliver this Agreement and to perform its obligations under this Agreement. Except as expressly stated in this Agreement, no representation, inducement or warranty was, prior to the execution of this Agreement, given or made by one of the Parties hereto with the intent of inducing the other Party to enter into this Agreement, and any representations, inducements or warranties that may have been so given are hereby denied and negated.

38.0 Good Faith

The Parties to this Agreement shall have a simple obligation to act in good faith in all matters related to this Agreement.

[SIGNATURE PAGES FOLLOW]

Annex A

Annex A-1

Insert Legal Description of Mining Area, using appropriate parameters (UTM coordinates or the like), including maps

Annex A-2

Insert Legal Description of Project Area, using appropriate parameters (UTM coordinates or the like), including maps to include roads, ports, infrastructure, physical area to be impacted by Mining Operation, etc.]

Annex B

Letter of Guaranty

Letter of Guaranty No. --- (Cairo ----- 200--)

EGYPTIAN MINERAL RESOURCES AUTHORITY (EMRA).

Gentlemen,

The undersigned, National Bank of Egypt (or any bank operating in A.R.E. under the supervision of the Central Bank of Egypt and that has credit rating not less than that of A.R.E) as Guarantor, hereby guarantees to the EGYPTIAN MINERAL RESOURCES AUTHORITY (hereinafter referred to as "EMRA") equals the rental value for the Exploitation license to guarantee the fulfilment of the conditions of the license, particularly the amounts due to the EMRA, or to reinstate things to their original status in cases so requires, under the Mining Exploitation Agreement (hereinafter referred to as the "Agreement") covering ----- Area----- described in Annexes "A-1" of said Agreement, by and between the MINISTER, EMRA and the Company, dated ----- .

It is understood that this Guaranty and the liability of the Guarantor hereunder shall be valid for the term of the Mining Exploitation Agreement plus six (6) months.

In the event of a claim by EMRA of non-performance or assignment of the Agreement on the part of the Company prior to fulfilment of said minimum obligations under said Agreement, there shall be no liability on the undersigned Guarantor for payment to EMRA unless and until such liability has been established by written statement of EMRA setting forth the amount due under the Agreement.

It is a further condition of this Letter of Guaranty that:

- (1) This Letter of Guaranty will become available only provided that the Guarantor will have been informed in writing by the Company and EMRA that the Agreement between EMRA and the Company has become effective according to its terms and said Guaranty shall become effective on the Effective Date of said Agreement.
- (2) This Letter of Guaranty shall in any event automatically expire:
 - (a) after the lapse of the period of the Exploitation license and six (6) months after the date it becomes effective, or
- (3) Consequently, any claim, in respect thereof should be made to the Guarantor prior to either of said expiration dates at the latest accompanied by EMRA's written statement, setting forth the amount of under-expenditure by the Company to the effect that the Company has failed to perform its obligations referred to in this Guaranty.

Please return to us this Letter of Guaranty in the event it does not become effective, or upon the expiry date.

Yours Faithfully,

Accountant: -----

Manager: -----

Annex C

Local Business Development Plan

The Company will make reasonable efforts to work with local banks to encourage their participation in the financing of the working capital requirements of local contractors and suppliers.

A listing of local suppliers for consumables and capital items will be maintained at the Company offices during each phase of the Project as noted above. The listing would give particular emphasis to businesses directly or indirectly majority owned by the State citizens.

Suppliers would be encouraged to register for inclusion in the listing and would be given the opportunity to tender during the procurement process on a non-discriminatory basis.

A listing of local contractors for services required by the Project will be maintained at the Company's offices. The listing would give particular emphasis to contractors directly or indirectly majority owned by the State citizens. Contractors would be encouraged to register for inclusion in the listing and would be given the opportunity to tender during the procurement process on a non-discriminatory basis.

A quarterly posting will be made at the Company's offices in the State to provide information to potential suppliers and contractors of potential goods and services requirements for the Project on a quarterly basis.

A listing of bids currently being considered would be maintained at the Company's offices for review by contractors and suppliers. The same such listing would also be published in local newspapers in the affected region, thereby giving suppliers and contractors the earliest possible notification of tenders.

A meeting shall be convened semi-annually by the Company to which will be invited relevant political and chamber of commerce organizations including but not limited to representatives of the State and the Local Governorate. The meeting will concern itself with measures taken by the Company to implement proposals for local business development contained herein, the Company's compliance with this agreement and additional avenues to encourage local business participation in the Project.