DATED THIS ...18th..... DAY OF ......Nov...... 2022

LARGE SCALE LICENCE AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE

AND

FG GOLD LIMITED

NOVEMBER 2022

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THIS AGREEMENT is entered into on 2022

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE represented by the Minister of Mines and Mineral Resources (hereinafter referred to as "the **GoSL**") of the **ONE PART,**

and

FG GOLD LIMITED, a limited liability company incorporated under the Laws of Sierra Leone with registration number SL190121FGGOL09943 and with its registered offices at No. 3 Hill Cot Road, Freetown in the Western Area of the Republic of Sierra Leone (hereinafter referred to as **"FG GOLD"**, which expression shall, where the context admits, include its lawful assigns and successors) of the **OTHER PART.**

Hereinafter collectively referred to as 'the **Parties'** and individually referred to as '**a Party**.

WHEREAS

A. By the Mining Licence, as hereinafter defined, **GoSL** demised and granted to **FG GOLD** the Minerals contained in Schedule B thereto in the area described in Schedule A thereto according to the Programme of Mining Operations described in Schedule C thereto, together with the rights referred to therein for a term of twenty-five (25) years which commenced on 6 May 2021 upon the terms and conditions therein stated, and

B. FG **GOLD** and **GoSL** have agreed to enter into this Agreement to confirm the terms and conditions upon which **FG GOLD** shall conduct mining operations within the Mining Licence Area (as hereinafter defined).

IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following expressions shall, unless the context requires otherwise, have the following meanings:

"Act of Parliament" means any act enacted by the Parliament of The Republic of Sierra Leone.

"Additional Mining Licences" has the meaning ascribed to it in Clause 4.1.

"Advance Pricing Agreement" shall mean an agreement between **FG GOLD** and the **GoSL** according to the guidelines stipulated in Clause 6.2.c) and d).

"Affiliates" means any entity, individual, firm, or corporation, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Investor. For the purposes of this definition, "control" (including the terms "controlling", "controlled by", and "under common control with") means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities, by contract or otherwise.

"Agencies" means all government ministries, departments, organisations and/ or company or individuals acting directly or indirectly on behalf of the **GoSL** and in accordance with the legal doctrine of agency, or under a contract with the **GoSL** for the provision of services or collection of fees.

"Agreement" means this agreement, including the schedules hereto, which forms an integral part of this agreement, and references to this agreement includes references to such schedules.

"Airport Operator" means the civilian or military agency, company or other type of enterprises, or group or individuals, incorporated and existing, under Applicable Law, which exercises control over the operations of the civil airport(s), airstrip(s), heliport(s) or military airfield(s) within Sierra Leone territory, including but not limited to the Sierra Leone Airports Authority (SLAA) of Ministry of Transport and Aviation of Sierra Leone.

"Applicable Law", means, save as provided in clause 12.15, laws in force and effect as of the date hereof and which may be promulgated or brought into force and effect hereinafter in Sierra Leone, including the Constitution, any statutes, rules, regulations, directions, bye-laws, notifications, ordinances of the **GoSL**, any agencies of the **GoSL**, or any state, local, municipal, regional or any other duly constituted governmental body in Sierra Leone, including any agencies and instrumentalities of the State, having jurisdiction and lawful authority over **FG GOLD** in the performance of its obligations under this Agreement, and binding actions or inaction of any relevant authority which would affect the Baomahun Gold Project. Any reference to Applicable Law in this Agreement also includes judgments having force of law, or any final interpretation by a Court of Law having jurisdiction over the matter in question as may be in force and effect during the subsistence of this Agreement.

"Arm's-length transaction" means a controlled transaction (meaning any transaction between Affiliates) conducted in the same way as an uncontrolled transaction under similar circumstances and conditions, and the price charged for the controlled transaction is the same when charged to an unrelated party for the same transaction under the same circumstances and conditions. For a transaction to remain arm's-length for royalty purposes, it must be arm's-length during the entire period for which the Royalty Payments are determined under clause 6.2.

"Attorney General" means the Attorney-General and Minister of Justice as defined and appointed under the Constitution.

"Baomahun Gold Project" means the exploration, mining, commercial exploitation and extraction (and other related activities) of Minerals within the Mining Licence Area.

"Base Rehabilitation Cost" has the meaning ascribed to it in clause 5.13(b).

"Change of Control" shall mean the consummation of any transaction or series of transactions (including without limitation any joint venture, management arrangement, sale, merger or consolidation), the result of which is that **FG GOLD HOLDCO DMCC** or any other group of shareholders that collectively beneficially own more than fifty percent (50%) of the voting equity in **FG GOLD** before such transaction or series of transactions ceases to (either directly or through its Affiliates): (i) be beneficial owners of more than 50% of the aggregate voting equity of **FG GOLD**; or (ii) have the power to direct or cause the direction of the management and the policies of **FG GOLD**.

"Community Development Agreement" means a community development agreement agreed and signed by **FG GOLD** and its primary host community(ies) and approved by the Minister, in accordance with the Minerals Act.

"Constitution" means the Constitution of Sierra Leone (Act No 6 of 1991) (as amended).

"Direct Agreement" means an agreement entered into between the **GoSL**, **FG GOLD** and a Lender or a security trustee or agent acting on behalf of the Lender(s) or with any other counter-party of **FG GOLD**.

"Director of Forestry" shall have the meaning ascribed to it under the Forestry Act 1988.

"Director of Mines" shall have the meaning ascribed to it under the Minerals Act.

"Dispute" means any claim, dispute or difference of any kind whatsoever arising between the **FG GOLD** and the **GoSL** in connection with or arising out of this Agreement, including any question regarding any rights and obligations under this Agreement, the execution and performance under this Agreement, and the existence, validity, interpretation or termination of this Agreement.

"Effective Date" means the date on which this Agreement is ratified according to clause 12.11(a).

"Electricity Distribution Agency" means the electricity distribution and supply authority established under Section 25 of the National Electricity Act, 2011 (No. 16 of 2011).

"Electricity and Water Regulatory Commission" means the Sierra Leone Electricity and Water Regulatory Commission established by the Sierra Leone Electricity and Water Regulatory Commission Act, 2011 (No. 13 of 2011).

"Eligible Bank" means a reputable bank or financial institution established and authorised to operate in Sierra Leone under Applicable Law.

"Environment Protection Agency" means the Environment Protection Agency established by section 2 of the Environment Protection Agency Act.

"Environment Protection Agency (EPA) Act" means the **Environment Protection Agency (EPA) Act** 2008 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"Environment Protection (Mines and Minerals) Regulations, 2013" means the statutory instrument supplement to the Sierra Leone Gazette Vol. CXLIV, No. 31 dated 4th July.

"Exchange Control Act" means the Exchange Control Act, Chapter 265, 1954 of the Laws of Sierra Leone.

"Ex-Mine Gate Basis" means the final price received or receivable by **FG GOLD** after deducting the shipment costs including assay report costs, insurance, freight, inspection, refining cost and any other similar costs provided that all such costs shall not exceed 10 per cent (10%) of the referenced final price.

"Expatriate" means an employee working in Sierra Leone other than his country of origin, as defined under, the Sierra Leone Local Content Agency Act.

"Extractive Industries Revenue Act" " means the Extractive Industries Revenue Act 2018 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"FG GOLD HOLDCO DMCC" a company organized and existing under the laws of the United Arab Emirates having its principal office at 2501D-2506D, JBD 2, Cluster V, JLT, Dubai, United Arab Emirates.

"Finance Act" means the Finance Act 2020 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"First Pour" means the date to be notified, by **FG GOLD**, as the date it achieved first gold pour.

First Production Date" means the date on which the first sale or delivery of the product is made through exportation from the Baomahun Gold Project.

"Foreign Investment(s)" means the investment made in **FG GOLD** Baomahun Gold Project by the Investor, Affiliate and Lender.

"Forestry Act " means the **Forestry Act 1988** of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"Freetown International Airport" means Freetown Lungi International Airport (IATA: FNA, ICAO: GFLL), Freetown, Sierra Leone.

"Gold Bar" means gold bars produced from the Baomahun Gold Project.

"Goods and Services Tax Act" means the Goods and Services Tax Act, 2009 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"Government Correspondence" means all letters, memorandums, notices, directives, and all other written communication from the **GoSL** to **FG GOLD** and/or its Affiliates in respect of any legal compliance, formality, filing, step, action, documentation required to be taken or provided by **FG GOLD** and/or its Affiliates to support either this Agreement and/or the Mining Licence.

"Income Tax Act" means The Income Tax Act, 2000 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"Independent Sole Expert" means an independent individual employee of an internationally recognized mining or consulting firm competent on international mineral markets and prices (who is from a country with a common law background and whose language is English) as the Parties may agree in writing, or failing such agreement, as shall be appointed for this purpose on the application of either Party, by the President of the International Chamber of Commerce in Paris in accordance with the provisions for the appointment of experts under the Rules for Expertise of the International Chamber of Commerce.

"Investor" means any company which directly or indirectly has an ownership interest in **FG GOLD** and its shareholders, and all companies it indirectly or directly owns or controls who invest in the Baomahun Gold Project whether such investment is direct or indirect.

"Lender(s)" shall mean a lender (financial institution or otherwise) or group of lenders that directly or indirectly make a Loan Facility.

"Loan Facility" means a loan facility or several loan facilities, and any gold streaming or gold sale and purchase financing made available to **FG GOLD** or any of its Affiliates for the development, construction, and operations of the Baomahun Gold Project by a Lender.

"Mine Closure Plan" means a plan comprising proposal for managing the progressive restoration (where practicable) of worked-out mine areas and the ultimate closure and restoration or rehabilitation of the mine site upon cessation of mining operations, as defined under the Environment Protection (Mines and Minerals) Regulations, 2013.

"Minerals" means gold and all other (associated) minerals located in over, under or upon the Mining Licence Area.

"Minerals Act" means the Mines and Minerals Act 2009 of the Laws of Sierra Leone, including any legislation amending the same or substituted thereof and all regulations and rules from time to time in force thereunder.

"Mining Company" means any mining company that is in the business of exploration, development, and production of base, precious or bulk minerals.

"Mining Licence" means the Large-Scale Mining License granted under the Minerals Act by the **GoSL** to **FG GOLD** on 6 May 2021 and duly registered as No ML 2/2021, and as may be amended and extended from time to time.

"Mining Licence Area" means the area described in Schedule A of the Mining Licence as set out in Schedule 1 hereto.

"Minister" means the Minister responsible for mineral resources.

"National Land Commission Act" means National Land Commission Act 2022 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"National Investment Board Act" means the National Investment Board Act 2022 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"National Social Security and Insurance Trust Act" means the National Social Security and Insurance Trust Act, 2001 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"Net Revenue" means the product of (a) the final price received or receivable by **FG GOLD** on Ex-Mine Gate Basis and (b) the amount of product shipped in each delivery.

"Nominated Suppliers" means persons and entities, excluding banks and financial institutions, used by **FG GOLD** from time to time throughout the life of Mining Licence, as extended, for the supply of goods and/ or services to **FG GOLD** as informed to the NRA, or Sierra Leone Ports Authority quarterly and or on a case-by-case basis.

"NMA" means the National Minerals Agency established under the National Minerals Agency Act 2012.

"NRA" means the National Revenue Authority established under the National Revenue Authority Act 2002.

"Parliament" means the Parliament of The Republic of Sierra Leone.

"PAYE" means Pay As You Earn.

"PRA" means the Petroleum Regulatory Agency established under the Petroleum Regulatory Agency Act 2014.

"Programme of Mining Operations" means the programme of mining operations set out in Schedule C to the Mining Licence incorporating section 15 of the document titled the Baomahun Gold Project Engineering Study, and as shall be further amended by **FG GOLD** from time to time pursuant to Section 113 (1) of the Minerals Act.

"Reference Date" means 6 May 2021 and on 6 May of each following year.

"Road Users Charge Act" means the Road Users Charge Act, 1994 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"Royalty Payments" has the meaning ascribed to it in Clause 6.2(a).

"Sale" means a transaction where:

- the seller has transferred to the buyer the significant risks and rewards of ownership;
- the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- the economic benefits associated with the transaction will probably flow to the seller; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

"Sierra Leone Aviation Authorities" means Ministry of Transport and Aviation of Sierra Leone and/or Sierra Leone Civil Aviation Authority and/ or the Sierra Leone Airports Authority (SLAA) of Ministry of Transport and Aviation of Sierra Leone and/or any other authority in Sierra Leone vested with power to regulate and control Sierra Leone aviation matters.

"Sierra Leone Civil Aviation Authority" means the Sierra Leone Civil Aviation Authority (SLCAA) established by the Civil Aviation Act, 2008.

"Sierra Leonean Companies" means such companies registered in Sierra Leone in accordance with the Companies Act 2009 and with fifty percent (50%) of the share capital being owned by the citizens of Serra Leone.

"Sierra Leone Gazette" means the GoSL's Gazette as published or updated from time to time.

"Sierra Leone Local Content" means the goods produced and services rendered in Sierra Leone for the exploration, development, and production of the Baomahun Gold Project.

"Sierra Leone Local Content Agency Act" means the Sierra Leone Local Content Agency Act, 2016 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"Sierra Leone Maritime Administration" means the Sierra Leone Maritime Administration established by the Sierra Leone Maritime Administration Act 2000.

"Sierra Leone Ports Authority" means the Sierra Leone Ports Authority established by the Ports Act of 1964 (amended in 1991).

"Stability Period" means the total tenure of the Mining Licence (being the aggregate of the initial twenty-five (25) year term plus each and every subsequent period of extension and renewal taken together).

"**State**" means the Republic of Sierra Leone.

"**State Proceedings Act**" means the State Proceedings Act, 2000 of the Laws of Sierra Leone, including any legislation amending the same or substitute thereof and all regulations and rules from time to time in force thereunder.

"**United States Dollars**" means the official currency of the United States of America.

1.2 **Interpretation**

In this Agreement, unless the contrary intention appears, a reference to:

a) the singular shall include the plural and vice versa;

b) a party or any other person includes its successors in title, permitted assigns and permitted transferees;

c) a reference to a law is a reference to that law as applied, amended or re-enacted from time to time and includes any subordinate legislation;

d) a provision of law is a reference to that provision as extended, applied, amended or re-enacted from time to time and includes any subordinate legislation;

e) exemption in relation to taxes, excise or other, royalties, duties, profit share, commissions, levies, fees, dues, contributions, payments or imposition of any similar type of payment whatsoever which **FG GOLD** is exempt from, shall mean that **FG GOLD** is not liable to make any such payments whatsoever;

f) aircraft's assets shall include all aeroplanes and other flying objects related to aerial transportations; and

g) marine assets shall include all ships and other vessels (including without limitation, transhippers, coasters, barges, tugs, launches, boats, or any vessel whatsoever) related to the sea, river, or any body of water.

2 GOOD FAITH

The GoSL and FG Gold shall act in good faith with respect to each other's rights and shall adopt all reasonable measures to ensure the realisation of the objectives of this Agreement.

3 RESPECTIVE WARRANTIES AND UNDERTAKINGS

3.1 The GoSL hereby: (i) represent and, warrants, as of the Effective Date; and (ii) undertakes for the duration of the Mining License and this Agreement, (as applicable) to **FG GOLD** that:

a) pursuant to the Minerals Act, the entire property and control of all minerals in, under or upon the Mining Licence Area is vested in **GoSL**, which has the sole and exclusive right to grant a mining licence relating thereto, free of any lien, claim, or other encumbrance;

b) during the existence of the Mining Licence and this Agreement, no person has or shall have any mineral rights (as defined in the Minerals Act) or interests in respect of any minerals located in, over, under or upon the Mining Licence Area or to any improvements thereto, other than **FG GOLD,** and **GoSL** generally agrees to indemnify **FG GOLD** against any and all loss or damage arising out of or in connection with any right or claim inconsistent with any such rights;

c) **FG GOLD** shall peaceably enjoy the Mining Licence Area without interruption by **GoSL** or by any other person or persons claiming to act on its behalf, or under **GoSL** authority, or in trust for it, or through it, or otherwise, and shall have the right during the entire life of the Mining Licence and this Agreement to explore for and mine Minerals. No other person or entity shall have the right to engage in any prospecting, exploration or mining operations, or any other activities on, above or below the surface in the Mining Licence Area during the term of the Mining Licence and this Agreement;

d) **FG GOLD** is provided with, and has, good, full, clear, clean and unfettered or unencumbered legal title to such exclusive exploration and mining operations rights for the whole area covered under the Mining Licence and this Agreement;

e) it is hereby agreed that no payments, compensation, or any other amounts will be or become due or owing by **FG GOLD** (or any of its Affiliates) for the transfer, ownership, or usage of all property, plant, assets, and equipment of or in any way in connection with the Baomahun Gold Project. For the avoidance of doubt, anything utilised, owned, operated, leased, installed (including but not limited to infrastructure, buildings, equipment or plant) or otherwise by, or on behalf of, **FG GOLD** and/or its Affiliates at the Baomahun Gold Project and/or within the boundary of the Baomahun Gold Project shall be and, to the extent not already, hereby is transferred with free and clear title to **FG GOLD** without any liability, cost (including but not limited to taxes and levies) or obligation for such;

f) it is hereby agreed that all of any previous owners' property, plant, assets and equipment (including all land leases or related rights required for the Baomahun Gold Project site and as held or utilised by, or on behalf of, previous owners have been transferred free of all and any charges (Government taxes and levies included) or encumbrance or third party interest to **FG GOLD** and such transfer is irrevocably approved and consented to by **GoSL** (to the extent any such approval is required). For the avoidance of doubt, "previous owners' property, plant, assets and equipment" is defined as any property, plant, assets, and equipment that have been historically installed on the premises or have ever been utilised for the operation of the Baomahun Gold Project. The obligation shall include all such assets and interest in them as existed at the date of this Agreement. It is hereby recognised and agreed that **FG GOLD** is the lawful and legal owner of all such assets and property transferred to **FG GOLD** from any previous owner or from **GoSL** (as the case may be);

g) all formalities, applications and processes have been completed and/or lawfully complied by FG Gold in respect of this Agreement, Government Correspondence, the Mining Licence (including, but not limited to, any subsidiary or related applications, licences, permits or otherwise necessary to support either this Agreement and/or the Mining Licence) and including but not limited to this Agreement being in full compliance with The Extractive Industries Revenue Act, 2018 (the **"EIRA"**) and the GoSL ratifies and approves all of these items (as are required, necessary or desirable) in any event by virtue of this Agreement;

h) it has no knowledge of any acts or facts whatsoever or any Applicable Law which will adversely affect the full implementation of the Baomahun Gold Project;.

i) prior to the execution of this Agreement, GoSL has obtained in the appropriate form from the relevant ministry, body or Agencies (including the "No Objection" from the Attorney General) the approval under the legal, tax, customs and exchange regulations regime which is applicable to the Baomahun Gold Project and more generally of all the provision of this Agreement;

j) notwithstanding the specific provisions herein, **GoSL** undertakes to take all, and any measure as may be required to ensure that all the stipulations of this Agreement are fully effective and to permit **FG GOLD** to carry out the Baomahun Gold Project in its entirety;.

k) it shall promptly provide to **FG GOLD** all such reasonable support and assistance that **FG GOLD** may request with regards to the implementation of this Agreement; and

l) without prejudice or limitation to any of the above, **GoSL** also and in addition to such, undertakes and warrants to **FG GOLD** that it shall promptly undertake or procure any and all steps, formalities and actions required, if any, to give effect to any of the items or terms of this clause 3.

3.2 **FG GOLD** hereby: (i) represents and warrants as of the Effective Date; and (ii) undertakes for the duration of the Mining License and this Agreement, (as applicable), to the **GoSL** that:

a) **FG GOLD** is a company duly organized, validly existing and in good standing under the laws of Sierra Leone. **FG GOLD** has all the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

b) The execution and delivery by **FG GOLD** of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other action on the part of **FG GOLD**, and no further consent or authorization is required of the board of directors of **FG GOLD** to authorize this Agreement.

c) Neither the execution and delivery of this Agreement nor **FG GOLD**'s compliance with the obligations contemplated hereby will conflict with or result in a breach or violation of: (i) the organizational documents of **FG GOLD**, (ii) any provision of law applicable to **FG GOLD** on the date hereof or (iii) the terms of any material agreement to which **FG GOLD** is a party or by which **FG GOLD** is bound.

d) Subject to the terms of this Agreement, FG GOLD intends to conduct mining operations within the framework to promote growth of the Sierra Leonean economy by seeking linkages to integrate the mining operations with other sectors of the economy and by maximising the supply chain within the Sierra Leonean economy. Specifically, collaboration with the institutions of higher learning that deal with engineering and mining, collaboration with local and sub regional businesses for the demand and supply of inputs as possible, collaboration with the relevant Ministries regarding plans for energy, water supply, and infrastructure with a view to coordinating long term plans in the various sectors.

3.3 Without prejudice or limitation to any other provisions in this Agreement, each party undertakes to each other that it shall undertake or procure any and all steps, formalities and actions required, if any, to give effect to any of the provisions of this Clause 3.

4 **MINING LICENCE**

4.1 **Application of Minerals Act and general legislation**

(a) The provisions of the Minerals Act relating to mining licences shall apply to the Mining Licence, this Agreement, and any Additional Mining Licences, except to the extent that they are inconsistent with the provisions of this Agreement and the Mining Licence (and any Additional Mining Licences) in which event the provisions of this Agreement and the Mining Licence shall prevail (and any Additional Mining Licences). To the extent there is any inconsistency between the terms of the Mining Licence, this Agreement (and any Additional Mining Licences) and any other Applicable Law (including but not limited to the EIRA and the Minerals Act) then the provisions of this Agreement, the Mining Licence (and any Additional Mining Licences) shall prevail. As used herein, '**Additional Mining Licences**' means any additional mining licence including but not limited to any prospecting/reconnaissance licence granted to **FG GOLD** or a licence granted further to an 'Event' under clause 4.2 (d) of this Agreement on or after the date of this Agreement.

(b) The provisions of the Minerals Act and the rules and regulations made under it, including the provision of any official forms prescribed by such rules or regulations, shall be binding upon and inure to the benefit of **FG GOLD** except such provisions thereof as may be inconsistent with any of the express or implied terms or conditions of this Agreement.

(c) Any such inconsistency referred to in paragraphs a) and b) above shall be resolved by giving effect to the provisions of this Agreement and such shall prevail over and to the extent of the inconsistent terms of said act, rule or regulation.

(d) In respect of any inconsistency or conflict, the terms of this Agreement shall prevail over the terms and provisions of the Mining Licence.

4.2 **Term, Extension and Renewal**

This Agreement shall be valid for the term of the Mining Licence, including any and all extension thereto.

a) The Mining Licence granted to FG GOLD was granted for an initial term of twenty-five (25) years as provided for therein.

b) The Mining Licence and this Agreement shall then be renewed for multiple periods of fifteen (15) years upon an application made in writing to the Minister at least one year before the expiration of the original term, and each fifteen (15) year term - all as applicable in accordance with the Mining Act as of the date of this Agreement.

c) Upon the making of an application to renew the Mining Licence and this Agreement, FG Gold or the GoSL may request amendments to the Mining Licence or this Agreement and shall negotiate such amendments in good faith, it being understood that the existing terms of the Mining Licence and this Agreement shall remain in effect until mutual agreement is reached, and the terms of renewal of the Mining License and this Agreement shall be no less favourable to FG GOLD than the terms of the Mining License and this Agreement as of the Effective Date.

d) Upon the renewal of the Mining Licence and this Agreement, **FG GOLD** has the right to continue to develop the Mining Licence Area in accordance with the terms of the Mining Licence and this Agreement. The parties agree that if **FG GOLD** does not commence any development of the Baomahun Gold Project by no later than the date falling 48 months from the Effective Date, **GoSL** has the right to issue a notice of intention to demand that **FG GOLD** surrender the Mining Licence Area. If **FG GOLD** does not commence development within 3 months of such notice in such area, the **GoSL** shall, subject to the terms of the Direct Agreement, be entitled to issue a certificate of surrender. Provided that **FG GOLD** shall be entitled at any time to seek an extension of time from GoSL, which extension shall not be unreasonably withheld. For the avoidance of any doubt, in this clause, '**development**' includes, but is not limited to, any one or more of the commencement of technical studies, any preparation of the area for mining activities, construction and/or rehabilitation of mining facilities (including but not limited to administration buildings and access roads and drill pad roads), any maintenance and/or rehabilitation of existing infrastructure (including but not limited to roads), any resettlement activities, any preparation of groundworks (road improvements), any confirmation or other drilling exploration activities, and any exploitation of core to be or utilised in the current plant and infrastructure at Baomahun Gold Project and/or community relationship activities with the local community.

e) Should the current holder or its successor of the mineral right on any land area in a 25 (twenty five) kilometre radius of any part of the perimeter of the Mining Licence Area (the "**Extension Area**") definitively surrender all or a portion of its rights to the surrounding area, or should the license to that mineral right be cancelled or expire, in such event (being a "**Cessation Event**"), **FG GOLD** hereby has, and shall be given, the first refusal right (in priority to any and all other persons) to apply for a mining licence over such Extension Area, and such shall include the right to apply to **GoSL** for any additional reconnaissance licenses, exploration licenses, small or large scale mining licences specifically for gold and associated mineralization matters with respect to the Extension Area, provided such areas do not fall within another company's valid mining right and provided further that **FG GOLD** (subject to the terms of this clause) makes such application within 60 days of **GoSL's** written notice to **FG GOLD** of such Cessation Event. **GoSL** hereby undertakes to notify **FG GOLD** in writing of such Cessation Event promptly and in any event within 7 days of it becoming aware of such Cessation Event. Notwithstanding anything else herein (and without prejudice to **GoSL**'s requirement to notify **FG GOLD** of such Cessation Event), where **FG GOLD** otherwise becomes aware of a Cessation Event prior to being notified of such by **GoSL**, **FG GOLD** shall be entitled to notify **GoSL** of such and to apply for and obtain a licence over the Extension Area. Provided the terms for such licence over the Extension Area are no less advantageous to **GoSL** than the terms of this Agreement, **GoSL** shall facilitate and procure the grant of those licenses referred to above to **FG GOLD**.

4.3 **Surrender of Mining Licence**

a) Subject to the terms the Direct Agreement, FG GOLD may surrender all or part of the Mining Licence Area included in the Mining Licence or any Additional Mining Licence at any time during the term of such Mining Licence or Additional Mining Licence by giving not less than ninety (90) calendar days' notice in writing to the Minister and upon such surrender the areas surrendered shall cease to be comprised in or subject to the provisions of such Mining Licence and or Additional Mining Licence.

b) Upon the surrender, expiration or other termination of the Mining Licence or of any portion thereof, **FG GOLD** shall automatically be released from its liabilities and obligations for any future period, but shall comply with any conditions stated in this Agreement or Schedules as regards the surrendered areas and it will have a period of not less than one hundred and eighty180 days, or such longer period as the Director of Mines may specify, following such surrender, expiration or termination in which, if **FG GOLD** wishes to do so, to remove all or any of its buildings, structures, plants, machinery, equipment or other effects from the areas covered by the Mining Licence or portion of the Mining Licence surrendered, expired or terminated.

5 GENERAL RIGHTS AND OBLIGATIONS OF FG GOLD

It is agreed that each of the rights, protections and benefits, including but not limited to fiscal benefits, as set out and granted to **FG GOLD** under this Agreement, shall also be extended and granted to and shall apply (with automatic and immediate effect) to any Affiliate where such Affiliates are involved in or connected to the operations of **FG GOLD** or any of the activities as carried out in or in relation to the Mining Licence Area. In addition to the other rights granted by this Agreement, the Mining Licence and the Minerals Act, and other Applicable Laws, **FG GOLD** shall have the following rights and obligations:

5.1 General Obligations

a) **FG GOLD** shall at all times perform its duties, obligations and work in the Mining Licence Area with all due professional diligence and will use its reasonable commercial endeavours to achieve the best available international standards for operations, health and safety standards prevailing in the mining industry worldwide at all times, as would be expected of a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances or conditions.

b) **FG GOLD** shall proceed with the development of the mine and related plant and facilities and carry out the mining and processing of gold and tailings in accordance with the Minerals Act and the current Programme of Mining Operations.

c) **FG GOLD** shall have the right to cure any alleged breach as provided in Clause 12.9 and 12.10 of this Agreement.

5.2 Rights Incidental to Mining Operations

In order to facilitate its mining operations, **FG GOLD** shall have the following rights, subject to compliance with Applicable Law:

a) to demolish or build any buildings or facilities within the Mining Licence Area, without obligation to ask for any building/ construction permit from the **GoSL** and/or local government and/or local authorities or urbanization approvals, with due regard for health and safety considerations;

b) o remove and sell, for export or not, any scrap metal not required for the conduct of normal operations situated within the Mining Licence Area, subject to any applicable government charges, and taxes, levies, duties or royalties;

c) to create, hire and maintain security forces to provide a deterrent to vandalism, terrorism, insurgency, theft and trespassers provided that the **GoSL** agrees to provide additional armed security to **FG GOLD** during the operations of **FG GOLD** at costs no more than that permitted under the existing law and or regulation;

d) to transport all Minerals (including in the form of Gold Bars) using public (and other available) roads and highways and airports, and **FG GOLD** constructed roads and airports to Freetown International Airport or any other airport or port designated by the **GoSL** for Minerals exports and any other infrastructure and/or aviation solution it constructs later in its operation for the expansion of production, after the construction of such facilities shall have been completed, subject to the written consent, with or without conditions, of the national or local authority having control over the use of public highways, airports, port, river, rail, etc.;

e) to construct, maintain and operate any infrastructure required to deliver its Programme of Mining Operations;

f) either within or outside the Mining License Area to dig, widen and deepen channel, streams and water courses as may be necessary to permit or facilitate access to the area to be mined;

g) to use water and return the same together with mining spoils within the Mining License Area either by diverting or extracting or any other form from any natural watercourse for domestic and/or mining operations without the need for a permit from the Electricity and Water Regulatory Commission, the Sierra Leone Water Company (SALWACO) and any other relevant regulator or authorised person and to return mining spoils to the river or stream required to deliver its Programme of Mining Operations;

h) on the lands included within the Mining Licence Area to cut, take and use any tree and vegetation, when necessary, in the course of mining operations or when required for mining or domestic purposes provided that it shall not cut or take any trees in a forest reserve or protected forest except with the consent of the Director of Forestry or before paying the fees and royalties prescribed by the Forestry Act 1988;

i) at **FG GOLD's** discretion to enter into an agreement for electricity to be supplied by the Electricity Distribution Agency at favourable rates for the duration of the Baomahun Gold Project and or any other company and or entity that is able to meet the power needs of **FG GOLD** provided that (a) there shall be no restriction on the amount of electricity to be consumed by **FG GOLD** and (b) **FG GOLD** and its third party contractors reserve the right to generate, distribute and or meet **FG GOLD'** s power supply needs without the need for any permit or authorisation from the Electricity and Water Regulatory Commission and any other relevant regulator or authorised person; and

j) To construct and own power plants or stations for the supply of electricity to FG GOLD's operations and operate infrastructure required to deliver its Programme of Mining Operations.

5.3 **Undertaking to facilitate use of airports, roads, rail, and port**

a) **FG GOLD** has the right to access and use all existing airports, roads, rail and port infrastructure subject to the rights of existing holders of rights under airport, rail and port agreements or concessions with the **GoSL**.

b) **FG GOLD** has the right to build an airport, roads, rail spur or similar infrastructure to connect **FG GOLD** operations and any of its current or future production facilities to any existing or future airport, rail and port infrastructure to ensure **FG GOLD** has the ability to achieve the least expensive logistic prices possible to sustain operations throughout the duration of this Agreement.

c) **The GoSL** undertakes to do all things necessary to ensure **FG GOLD** has unfettered access to and use of the existing airport, road, rail and port infrastructure (and including any new, additional or refurbished infrastructure in respect of such) and to take all steps to facilitate and uphold its rights to use such airport, road rail and port infrastructure including, but not limited to, ensuring the prompt issuance by the relevant authorities of any authorisation, consent, permit, license, approval, instruction to relevant third parties, or other support which **FG GOLD** may require from time to time.

d) **FG GOLD** will be ensured and afforded the seamless use of such airport, road, rail and port infrastructure on the basis of "most favoured customer" terms, which ensure that rates to be charged to **FG GOLD** for usage of said infrastructure shall be equal to or more favourable than any other party using the road, airport, rail and port infrastructure.

5.4 **Restrictions on exercise of rights under a mineral right**

FG GOLD shall not exercise any of its rights, under the Mining Licence:

a) **in** respect of any land dedicated or set apart for any public purpose other than mining including any street, road, highway, or aerodrome except with the written consent of the responsible Minister or other authority having control over such land, and such consent may be given unconditionally or subject to such conditions as may be specified in the instrument of consent, such consent will not be unreasonably conditioned, withheld or delayed;

b) **except** with the written consent of the owner or lawful occupier or his/her duly authorised agent, in respect of:

  i) any land dedicated as a place of burial, or which is a place of religious or other cultural significance; or

  ii) any land outside of the Mining Licence Area, which is the site of, or which is within two hundred meters, or such greater distance as may be prescribed under this Agreement or at law, of any inhabited, occupied or temporarily unoccupied house or building;

  iii) any land which is within fifty (50) meters, or such greater distance as may be prescribed, of land which has been cleared or ploughed or otherwise *bona fide* prepared for the growing of, or upon which there are, agricultural crops; or any land which is the site of, or within one hundred meters or such greater distance as may be prescribed, any cattle dip tank, dam, or other body of water;

  iv) any land reserved for the purpose of any railway, highway, or waterway or which is within fifty (50) meters, or such greater distance as may be prescribed, of the boundaries of any land so reserved, except with the written consent of the responsible railway, highway, or waterway authority; or

  v) any land within any township, or within two hundred (200) meters or such greater distance as may be prescribed, of the boundaries of any township, except with the written consent of the local authority having control over the township.

c) But where any consent so required is, in the opinion of the Minister, being unreasonably withheld or delayed, the Minister may on such conditions, if any, as he may impose, direct in writing that the need for the consent under this paragraph shall be dispensed with and authorise **FG GOLD** to exercise all or any of his rights under it.

5.5 **Right to Resettlement**

a) The Minister shall ensure that all owners or lawful occupiers of land who prefer to be compensated by way of resettlement as a result of being displaced by a proposed mining operation are resettled on suitable alternate land, with due regard to their economic well-being and social and cultural value so that their circumstances are similar to or improved when compared to their circumstances before resettlement, and resettlement is carried out in accordance with the relevant planning laws.

b) The cost of resettlement shall be borne by the holder of the mineral right as agreed by the holder and the owner or lawful occupier of land or, if no such agreement can be achieved, by separate agreement with the Minister, or in accordance with a determination by the Minister, except that where the holder elects to delay or abandon the proposed mining operation which will necessitate resettlement, the obligation to bear the cost of resettlement shall only arise upon the holder actually proceeding with the mining operation.

c) Subject to (a) and (b) of this clause 5.5, the Minister subject to Applicable Law may take the necessary action to give effect to a resettlement agreement or determination.

5.6 **Accessory Works and Installations**

a) **FG GOLD** shall have the exclusive right to use, construct, repair and operate within the Mining Licence Area, any airports, heliports, roads, railways, buildings, plants, structures, living quarters, water supply systems, pipelines, conveyor belts, communications systems, electric power systems, electric transmission systems, ship loading stations, airstrips, barge channels, core sheds, core stores, storage facilities and other similar accessory works and installations which are necessary or useful in carrying out its operations under this Agreement, subject to the legitimate rights of residents, provided that **FG GOLD** follows prescribed procedures and the rules of the appropriate regulatory authority regarding their construction and use, and provided further that reasonable right of use shall be granted to the **GoSL** representatives and any residents or other legitimate users of the Mining Licence Area.

b) **The GoSL** shall grant a priority right to **FG GOLD** to use, construct, repair and operate any roads, railways, ports, airstrips, airports, heliports, buildings, structures, water supply systems, pipelines, communication systems, electric power systems, electric transmission systems, loading stations, barge channels, storage facilities and other similar accessory works and installations which are necessary in carrying out its operations under this Agreement outside the Mining Licence Area, subject to the legitimate rights of the **GoSL** and third parties (provided that such use, construction, repair and/or operation does not adversely impact third party operations), subject to the written consent of the national or local authority having control over the respective utility and to **FG GOLD** following prescribed procedures and making the requisite payments regarding their construction and use and provided further that a reasonable right of use shall be granted to the **GoSL** representatives in the course of their normal regulatory activities.

5.7 **Export of Gold Bar(s)**

Notwithstanding the provisions of section 3 of the Exchange Control Act and subject to Section 113(5), and Section 167 of the Minerals Act, **FG GOLD** shall have the full and unrestricted right to export all Gold Bar(s) produced in the course of mining operations to any country worldwide.

5.8 **Admission of Personnel**

a) **Citizens** of Sierra Leone possessing the necessary qualifications, experience, specific know-how and work ethic shall be given preference for employment in all phases of operations under the Mining Licence and this Agreement, and in accordance with Sierra Leone Local Content Agency Act or any other Applicable Law.

b) **FG GOLD** shall not employ or in any way use child labour.

c) **FG GOLD** and its Nominated Suppliers shall not import unskilled labour for the carrying out of any operations, developments, or maintenance undertaken by them by virtue of this Agreement, and in that regard, **FG GOLD** shall procure that (i) its Nominated Suppliers and (ii) its subcontractors comply with this provision and all applicable labour law.

d) **Subject** to the foregoing restrictions and any applicable provisions of the non-citizens (Registration, Immigration and Expulsion Act No.14 of 1965), and notwithstanding any provision of the Sierra Leone Local Content Agency Act, and its regulations, all persons deemed by **FG GOLD** and/or its contractors as required for the execution of its work, including executives, officers, engineers, consultants, banking and legal advisors, technicians, and skilled labour:

   i. shall have the right to enter and reside in Sierra Leone and to depart from there in compliance with the immigration and labour laws of Sierra Leone; and
   ii. The **GoSL** shall ensure prompt issuance by the relevant authorities of all entry visas and work authorisations that may be required by such persons from time to time and in a timely manner.

e) The **GoSL** shall allow unlimited entries into Sierra Leone for business purposes by employees, designated directors and senior managers of **FG GOLD**, its Affiliates, and the Investors.

f) The **GoSL** agrees that it will assist the efforts of **FG GOLD** to secure and maintain an adequate labour supply, consistent with labour laws of Sierra Leone and the best international standards.

g) FG **GOLD** shall also establish and carry out a plan for training of local employees in accordance with Minerals Act, section 110 (2) (c) and execute that scheme in accordance with Section 164 (4) of the Mineral Act, to enable Sierra Leoneans to assume skilled, technical, supervisory, administrative, and managerial functions in **FG GOLD** within a reasonable time, subject to the **GoSL**'s compliance with sub-clauses 5.8 (e) and (f) above.

h) **FG GOLD** shall submit a written report annually to the Director of Mines, describing the number of personnel employed, their nationality, their positions, and the status of training programmes for citizens of Sierra Leone.

i) Failure by **FG GOLD** to comply with the provisions of sub clauses (b) or (g) above, shall be regarded as a material breach of the Mining Licence and subject to clauses 12.9 and 12.10 of this Agreement.

5.9 **Government Protection and Assistance**

a) The **GoSL** undertakes to grant to **FG GOLD**, including but not limited to any third related or contracted parties or agents of **FG GOLD**, such assistance as it reasonably can to enable experts and technicians and any other persons sent by it to carry out its tasks in the best and most efficient manner. The **GoSL** shall make available and grant an irrevocable licence to **FG GOLD** to use, all aerial, magnetometer and other geological surveys and photographs and all other plans, maps, information, and advice relating to gold deposits which in the reasonable opinion of the **GoSL**, it can disclose, and will permit **FG GOLD** to obtain copies of all such surveys, photographs, plans, maps and information for their own use upon payment of the actual cost of making such documents.

b) **FG GOLD** will make available to NMA all similar data that it compiles or acquires from others under circumstances that permit disclosure thereof to others; provided, however, that the **GoSL** agrees that the NMA will treat all such data made available to it as strictly confidential during the life of this Agreement, and will not, by any chance or means, disclose it to third parties, without prior written approval from **FG GOLD**.

c) **The GoSL** will extend to **FG GOLD** all reasonable assistance (including taking administrative action and other action vis-a-vis statutory bodies) to enable and facilitate the carrying out of its functions and achieve its objectives in the best and the most efficient manner and, without limitation, to enjoy its rights and privileges under this Agreement to the extent consistent with Applicable Laws, the best industry practice, and the Mining Licence.

d) **The GoSL** shall extend to **FG GOLD** all reasonable assistance to facilitate its security, transport, shipping and export of Gold Bar(s) raised or obtained in the course of mining operations and to permit all approvals and license moving Gold Bar(s), as well as other aircraft, to enter and leave Sierra Leone, to travel freely and unhindered, subject to Applicable Laws and to reasonable right of access by other users and by the **GoSL**, with or without conditions established by the **GoSL**. **FG GOLD** shall have unfettered access to any selected flight/road/sea route to Freetown International Airport or any designated infrastructure by the GoSL for the transportation and export of Minerals. **FG GOLD** could outsource the transport, loading, and transhipment operations and also establish a number of taking off/ and landing/ airstrips locations that are feasible and acceptable to the regulatory authorities. Subject to the needs of other users of airways in Sierra Leone and Applicable Laws, **FG GOLD** may also be given permission by the regulatory authorities to the extent feasible to modify existing infrastructure as necessary to accommodate any other necessary means of transportation for its various logistics needs.

5.10 **Importation of Machinery and Equipment**

Within seven (7) days from the Effective Date, **the GoSL** will promptly grant any and all permits and permissions necessary for the importation into Sierra Leone of vessels, aircrafts, helicopters, vehicles, drones, machinery, plant, equipment, heavy gear equipment, supplies and services necessary for the conduct of its operations, including but not limited to exploration, prospecting, mining, processing, building and construction, and all mining related activities, and transportation activities contemplated by this Agreement.

5.11 **Exportation of Machinery and Equipment**

Within seven (7) days from the Effective Date, the **GoSL** will promptly grant any and all permit(s) and permission(s) necessary for **FG GOLD** to export from Sierra Leone any aircrafts, helicopters, vessels, vehicles, machinery, plant, equipment, supplies, consumable mining stores, goods and surplus equipment of whatever description imported by it for the conduct of its prospecting, mining (including building and construction mines and all associated activities), processing and transport operations contemplated by this Agreement, free of any levy, tax or charge, provided that any export shall not have any adverse impact to the environment or the community in the Mining Licence Area or nearby areas.

5.12 **Protection of the Environment and Local Population**

a) **FG GOLD** shall conduct its mining operations in accordance with section 132 of Minerals Act, subject to provisions of the Environmental Protection Agency Act 2008 ("**EPA 2008**"), as may be amended from time to time subject to any regulations made under the Environment Protection Agency Act EPA 2008, as they may be amended from time to time. In the event of a conflict between these two Acts, the provisions of the EPA 2008 and its respective regulations shall prevail.

b) **FG GOLD** shall at all times do everything reasonable in its power to limit the damage and disturbance to the local environment and populace. The Environmental Protection Agency (the "**EPA**") may at any time conduct periodic inspections of the Mining Licence Area according to the Environment Protection Agency Act, subject to seven (7) days prior written notice.

c) **FG GOLD** shall, in accordance with the Environment Protection Agency Act, conduct its mining operations and all project activity with a reasonable degree of care and professionalism and within three (3) years of the Effective Date **FG GOLD** shall comply with high international environmental protection standards, as would be expected of a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances or conditions.

d) **In** particular, subject to (e) below, **FG GOLD** shall employ in its mining operations advanced techniques, practices and methods of operation for the prevention, limitation or treatment of pollution and the avoidance of unnecessary loss of, or damage to, natural resources, in each case in accordance with Applicable Law.

e) **FG GOLD** shall be responsible only for any pollution, risk, claim or other environmental damage arising out of its mining operations during the term of the Mining Licence from the date of the handover of the Mining Licence Area to **FG GOLD**. **FG GOLD** shall not be liable for any form of liability, damages, cost or claim whatsoever arising, or in connection to any matter, prior to the date of handover of the Mining Licence Area to **FG GOLD**.

5.13 **Reclamation and rehabilitation of mined out areas**

a) Within twelve (12) months from the Effective Date, **FG GOLD** will prepare at its expense and submit to the Environment Protection Agency and the Director of Mines simultaneously the Mine Closure Plan.

b) Subject to clause 5.13 (e) below, the Mine Closure Plan shall clearly identify the extent of the reclamation and rehabilitation attributable to operations conducted prior to the commencement of mining operations by **FG GOLD** ("**Pre-Commencement Reclamation and Rehabilitation obligation**") and the estimated cost in United States Dollars (converted to Leone equivalent at the prevailing rate) of effecting such reclamation and rehabilitation (referred to hereinafter as the "**Base Rehabilitation Cost**").

c) The annual calculation of rehabilitation and reclamation cost (including the Base Rehabilitation Cost) will be subject to an annual inflator calculation, in accordance with the Environment Protection Agency Act and any subsequent regulations.

d) FG **GOLD** and the Environment Protection Agency shall jointly calculate and agree on the amount of the Base Rehabilitation Cost at the time the Mine Closure Plan is agreed.

e) FG **GOLD** shall be fully responsible for the attributable cost of reclaiming and rehabilitating mined out areas only to the extent that such reclamation and rehabilitation is attributable to **FG GOLD**'s commercial operations; and for the avoidance of any doubt, **FG GOLD** shall not be liable for the Base Rehabilitation Cost.

f) Subject to clause 5.12(e) and clauses 5.13(d) and 5.13(e), **FG GOLD** shall adopt and implement programmes and measures approved by the Environmental Protection Agency for effective reclamation of mined out areas including replanting and dealing with mining spoils in which regard a detailed programme for the progressive reclamation and rehabilitation of lands disturbed by mining for the minimization of the effects of such mining on adjoining land water areas shall be submitted to the Director of Mines for approval.

g) Within twenty-four (24) months after the date on which the Mine commences commercial operations, **FG GOLD** shall arrange for the delivery to the GoSL of a letter of comfort from an Eligible Bank (the **Letter of Comfort**) confirming the financial capacity of FG GOLD to procure or access funding in an amount required to cover the estimated costs of restoration and rehabilitation required for disturbances envisaged under the Mine Closure Plan for the relevant year (the **Estimated Restoration & Rehabilitation Amount**) in satisfaction of the legal requirements under the Environment Protection (Mines and Minerals) Regulations, 2013. The Estimated Restoration & Rehabilitation Amount shall exclude any costs attributable to disturbances caused by the operations by third parties occurring in the period prior to the Effective Date. In furtherance of the Letter of Comfort, **FG GOLD** shall make available the Estimated Restoration & Rehabilitation Amount in a value necessary or required to satisfy all grounded reclamation and rehabilitation performance costs that may be due in accordance with the Mine Closure Plan.

5.14 **Procurement**

FG GOLD shall, in the conduct of its procurement activities under the Mining Licence, comply with the Sierra Leone Local Content Agency Act, by giving preference to Sierra Leonean Companies, provided products, services and materials made in Sierra Leone are offered at comparable quality and know-how knowledge (available within the timelines set by **FG GOLD** under its sole discretion), delivery schedule and price, to the maximum extent possible and subject to technical acceptability and prompt availability (given the urgency and the pace of the project) of the relevant goods and services and being consistent with safety, efficiency, economy and promptness.

5.15 **Health and Safety**

FG GOLD shall, at all times, comply with all health and safety standards and laws that are generally applicable in Sierra Leone.

5.16 **Insurance**

FG GOLD and its Nominated Suppliers will only be required to place all or part of an insurance policy with a local insurance company or an international company that partners with a local company to the extent that the local insurance companies are able to meet the credit ratings and/or where such insurance can be supplied on a competitive basis in terms of price, coverage, quality and other terms, provided that in all instances such insurance provided is satisfactory to the requirements of Lenders. In all other cases, **FG GOLD** is authorized to agree and enter into with foreign insurance companies all insurances which are either not available in Sierra Leone or not available under competent commercial rates (the latter means rates that deviate more than three per cent (3%) from rates which can be negotiated offshore).

6 FISCAL PROVISIONS

a) Unless otherwise indicated, the start date for year one (1) tax incentives is seven (7) days from the Effective Date.

b) For any and all forms of tax (present and future), Goods and Services Tax, excise duty, tariff, fee or other amount which **FG GOLD** is exempt from, **FG GOLD** shall not be liable in any instance to actually pay such amount at any time and seek reimbursement or rebate for such including obligations in the Finance Act 2020.

c) Notwithstanding the provision of any other legislation and subject to the provisions of this Agreement (unless otherwise specified in this clause 6), **FG GOLD** shall not be liable for taxes arising from other parties' activities, even if those activities are related to **FG GOLD** operations.

6.1 **Mining annual charge and surface rent**

a) **FG GOLD** shall pay to the **GoSL** annually and without demand on Reference Date and on each anniversary of the Reference Date, the sum of US$500,000 (Five hundred thousand United States Dollars) as the annual charge as defined and envisaged in its Mining Licence subject to an annual growth factor of two per cent (2%) commencing from 2023.

b) In addition, **FG GOLD** shall distribute surface rent in accordance with section 34A of the Minerals Act, annually and without demand, as specified in the respective lease agreements of **FG GOLD.**

c) **Mining** annual charge and surface rent payable shall be treated as allowable expenses in ascertaining the chargeable income of **FG GOLD** and shall not be subject to withholding tax.

6.2 **Royalty**

a) **FG GOLD** shall pay a royalty at the rate of 3% (three per cent) of sale from first Production Date (the "**Royalty Payments**") for a period of ten (10) years. For the entire duration of this Agreement FG **GOLD** shall not pay any export duty in respect of export of Minerals.

b) Where **FG GOLD** enters into an agreement for the Sale of Minerals with affiliated persons, the terms of any such agreement (if other than on terms equivalent to an Arm's-length transaction) shall be based on an Advance Pricing Agreement according to sub clause c) and d) below. For the avoidance of any doubt, **FG GOLD** is always and continually allowed to enter into any agreements with any party on an Arm's-length basis.

c) Prior to a final Sale without recourse, of any Minerals to an Affiliate, if other than on Arm's-length transaction terms, **FG GOLD** and the **GoSL** shall enter into an Advance Pricing Agreement establishing guidelines for determining the deemed Arm's length sale value and price of such Minerals for purposes of the calculation used in the statement set out in clause 6.2 (f). The Advance Pricing Agreement shall establish a mutually satisfactory methodology designed to ensure that the Royalty Payments owed on any sale to an Affiliate attributable to income from such sale, are no less than they would be if the sale had been undertaken on an arm's length basis to non-affiliated purchasers.

d) Subject to the provisions of this Agreement, the following will guide the Advanced Pricing Agreement:

i. **FG GOLD** shall provide necessary documentation to assist in arriving at such an agreement;

ii. such procedures may look to available metrics, such as prices received by major producers, with due adjustment for transport, quality, marketing commissions and other relevant operating and market considerations;

iii. where prices attained through application of agreed procedures result in a price that either side determines no longer reflects the underlying principle of market pricing, either party may request a revision of such agreed procedures; and

iv. in the case that an appropriate publicly available index enters into wide usage during the course of this agreement, the parties will come together to agree on a method utilizing such index, with due adjustment.

e) The Royalty Payments shall be allowed as a deductible operating cost (according to Section 148(4) of the Mineral Act), in ascertaining **FG GOLD's** net chargeable income for income tax purposes.

f) Within a maximum period of 45 (forty-five) days after the end of each month's shipment, **FG GOLD** shall prepare and deliver to the Director of Mines a statement certified by the accredited representative of **FG GOLD**, stating the total quantities of Minerals of each kind, grade, and quantity shipped by **FG GOLD** from Sierra Leone in that month. Together with such a statement, **FG GOLD** shall include a statement of the respective Sales value receivable calculated in accordance with the formula given in section 6.2 (a) above. Upon delivery of such statement, it will pay to the **GoSL** the Royalty Payments on the collected Sales value receivable as calculated by this statement, based on the formula given under this Agreement.

g) In preparing the statement in 6.2 (f) above, account will be taken for any adjustment required as a result of amendments or determinations or corrections in respect of prior periods, such as provisional pricing terms or credit notes, such adjustments will be separately and clearly indicated in the statement referred to in 6.2(f).

h) any Disputes regarding the content or application of this clause 6.2 shall be resolved by an Independent Sole Expert which shall act on the following basis, and in no circumstance shall operations be suspended during the resolution of any Dispute under 6.2 or otherwise:

   i. the Independent Sole Expert shall act as expert and not as arbitrator;

   ii. the parties shall notify in writing the Independent Sole Expert of the item or items in Dispute within ten (10) days of the Independent Sole Expert's appointment;

   iii. the Independent Sole Expert shall decide the procedure to be followed in the determination;

   iv. the costs of the determination, including fees and expenses of the Independent Sole Expert, shall be borne equally between the Parties; and

   v. the determination of the Independent Sole Expert shall be in writing with the reasons for the determination stated and shall be final and binding on the Parties subject to the right of either Party to appeal such determination within thirty (30) days of the delivery of the decision of the Independent Sole Expert by invoking arbitration pursuant to Section 12.8 (b) of this Agreement (and being able to proceed immediately to arbitration and without the need for any party to enter into discussions or to seek to reach an amicable settlement).

6.3 **Income Tax**

a) **FG GOLD**, in the conduct of its activities in Sierra Leone pursuant to this Agreement, shall be liable for Income Tax on its chargeable income derived in Sierra Leone at the following rates and in accordance with clause 6.3(c):

   i. Zero percent (0%) for the first five (5) years from the First Production Date; and

   ii. thereafter, the lower of twenty-five per cent (25%) or the prevailing rate under existing laws.

   If, at any time the Income Tax Act provides for a tax rate that is more favourable to large scale mining companies than the rates set forth in this sub clause 6.3 (i) – 6.3(ii), **FG GOLD** shall apply such lower rate in calculating its income tax.

b) **FG GOLD** shall not be liable for any minimum taxation based on turnover, retained earnings or otherwise as long as **FG GOLD** maintains its book of accounts.

c) **The** chargeable income in ascertaining the Income Tax payable by **FG GOLD** shall for the purposes of Income Tax be calculated as provided by the Income Tax Act, subject to clause 6, as it applies to mining companies.

d) **Foreign** exchange gains and losses arising as a result of the change in exchange rates between the date of the underlying transaction and the date of settlement of that transaction will only be assessable or deductible for income tax purposes once the gain or loss is realized.

e) **There** shall be no limitation on the amount that is deductible for the cost of air tickets, charter or private flights, helicopter, or any other air, marine or land transportation, in respect of **FG GOLD**, its Affiliates and Nominated Suppliers' employees who come and/or leave Sierra Leone in relation to the operations of **FG GOLD**.

6.4 **Treatment of losses for Income Tax purposes**

a) The amount of tax losses that can be utilised to offset chargeable income in any year of assessment shall be, from year one (1) until the expiration of this Agreement, an amount of loss such that the tax payable will not be less than fifteen per cent (15%) of the income tax that would be due if no losses were carried forward; any losses disallowed by virtue of this rule may be carried forward indefinitely, without restriction.

b) If at any time, the Income Tax Act allows for a greater utilization of tax losses than that described in this clause, **FG GOLD** shall be entitled to take advantage of such greater utilization.

6.5 **Withholding tax**

Subject to the terms of any international agreement to which Sierra Leone is a party indicating a lower rate, which shall prevail over the provisions of this Agreement, withholding taxes on dividends, interest, management fees, payments to associates, Nominated Suppliers, Lenders and contractors paid by **FG GOLD** shall be as follows:

a) The rate of tax applicable on dividends shall be Five per cent (5%);

b) the rate of tax withheld on any payments to any Affiliate shall be nil;

c) The rate of tax withheld on interest and other payment under any Loan Facility shall be nil from the date of this Agreement until the date falling ten (10) years after the First Production Date, and thereafter in accordance with Applicable Law.

d) The rate of tax withheld on payment to local contractors by **FG GOLD** and its Nominated Suppliers shall be two point five per cent (2.5%);

e) from the date of this Agreement until the date falling seven (7) years after the First Production Date, the rates of withholding tax on payment to contractors, professional services, and non-resident contractors etc (including services fees and management fees) shall be two point five per cent (2.5%); Same shall apply to its non-resident Nominated Suppliers.

f) Withholding taxes referred to in Clauses 6.5 (a) to (e) above are only due on cash payments by **FG GOLD** its Nominated Suppliers, and their respective subcontractors and not on accruals and/or provisions

g) In this section "international agreement" means an agreement between Sierra Leone and a foreign government and/or international organisation.

h) Notwithstanding any other provision in this Agreement, expatriate consultants shall be deemed non-resident contractors for tax purposes.

If at any time the Income Tax Act provides for withholding rates that are lower than those specified in this clause, **FG GOLD** shall apply such rates to such payments.

6.6 **Capital expenditure allowances**

From the fifth anniversary of First Production Date,

a) An initial allowance equal to 40% (forty percent) of the United States Dollar cost of qualifying capital expenditure shall be deductible by **FG GOLD** in determining its chargeable income for the year in which such qualifying capital expenditure is incurred with an annual allowance at the rate of 20% (twenty percent) of the United States Dollar cost of qualifying capital expenditure being deductible in determining chargeable income in each subsequent year, without limit, until the full cost has been deducted. For the avoidance of doubt, **FG GOLD** may deduct the initial and annual allowances for qualifying capital expenditure incurred in the years prior to the fifth anniversary of First Production Date in determining its chargeable income from the fifth anniversary of First Production Date. Provided that **FG GOLD** shall not deduct depreciation expenses for qualifying expenditure incurred in the years prior to the fifth anniversary of the First Production Date.

b) Where an asset which falls within the definition of qualifying capital expenditure is scrapped, destroyed, or sold for less than the balance obtained by deducting from the cost thereof the aggregate of the initial allowance and the annual allowances previously granted in respect of that asset, then the balance shall be fully deductible against chargeable income in the form of a scrapping allowance in the year in which such disposal, destruction or sale occurs.

c) Qualifying capital expenditure shall be as defined per Subsections 1-7 of section 6 in Part II of the EIRA 2018.

If at any time the Applicable Law provides for capital expenditure which allows for a greater utilization than those specified in this clause, **FG GOLD** shall apply such rates to such payments.

6.7 **<u>Currency Issues</u>**

a) The financial statements and books of accounts may be stated, maintained and expressed in United States Dollars or other local or foreign currency in **FG GOLD's** sole discretion, notwithstanding the provisions of the Bank of Sierra Leone Act No. 26 of 2019 as may be amended from time to time and other similar or related regulations.

b) All capital expenditure incurred by **FG GOLD** may be stated, maintained and/or expressed in United States Dollars or other local or foreign currency at the sole discretion of **FG GOLD**.

c) All expenditures and payments incurred or made by **FG GOLD** may be in United States Dollars or other local or other foreign currency in **FG GOLD's** sole discretion.

d) **FG GOLD**, Investors, its shareholders, Affiliates, associates, subsidiaries, its financiers, funders, Lenders and other finance parties under Loan Facilities shall be entitled to:

i) receive and make payment in accordance with the relevant document, including inside and outside of Sierra Leone in foreign currency and that the Central Bank, *i.e.*, the Bank of Sierra Leone, and any other **GoSL** ministry, department or agency shall render any and all assistance and support in this regard;

ii) convert Leones to foreign currency and remit foreign currency outside of Sierra Leone;

iii) maintain Leones and foreign currency bank accounts inside and outside of Sierra Leone, and deposit, retain and deal with Leones and foreign currency without any restriction whatsoever utilising such bank accounts;

iv) repatriate earnings and proceeds of sales of assets without any restriction whatsoever;

v) allow expatriates with work permits to open foreign currency accounts and repatriate earnings through their commercial banks;

vi) convert or transfer funds associated with investments, including remittances of investment capital, earnings, loan repayments and lease payments;

vii) remit profits and transfer repayments of principal and interest amounts on arm's length loans contracted outside Sierra Leone without any restriction;

viii) borrow monies required for the implementation of the Baomahun Gold Project and in particular from abroad from private and/or commercial and/ or institutional lenders in any currencies that such foreign and/ or international lenders may require; and

ix) transfer into or outside of Sierra Leone, without any restrictions or costs or commission (other than normal banking fees), products, funds, interest, dividends, profits, and income generated by the Baomahun Gold Project, as well as amounts due in the context of the Baomahun Gold Project, to any individual or entity residing abroad and the products of the liquidation or the forfeiture of the credit or other assets.

The GoSL, notwithstanding any Applicable Law, warrants that all relevant officials or public bodies shall deliver in a reasonable time, all documents, permits and licences required to give effect to the above.

e) Notwithstanding any provision in the Bank of Sierra Leone Act, 2019 and any legislation related to it on foreign currency transactions, as amended from time, and exemptions listed above, **FG GOLD** may enter into agreements with local and foreign contractors, vendors, suppliers or similar entities denominated in United States Dollars and/or any other foreign currency and pay to such suppliers in such currency, at its sole discretion.

6.8 **Stamp Tax**

Where this Agreement or any other instrument or agreement entered into by **FG GOLD** in connection with the Baomahun Gold Project (including finance and associated security documents executed with the Lenders and/or Investors) is liable to any stamp duties, registrations charges, fees, levies or similar taxes (**Documentary Tax**), the aggregate amount of Documentary Tax payable on each document or instrument, shall be subject to the lower $1,000 (One Thousand United States Dollars), or the rate prescribed under the Applicable Law. Further, the aggregate amount of Documentary Tax payable by **FG GOLD** in any given year, and regardless of the number of documents or instruments, shall be subject to a maximum amount of $100,000 (One Hundred Thousand United States Dollars), following which **FG GOLD** shall be exempt from any further Documentary Tax in the relevant year.

The waiver contained herein shall not affect the enforceability and admissibility of the said finance and associated security documents.

6.9 **Limitation of charges and duties on imports**

a) Notwithstanding the current charges, fees, duties and levies made directly and indirectly by the **GoSL** on imports into Sierra Leone, the **GoSL** and **FG GOLD** agree that for the duration of this Agreement **FG GOLD**, its Nominated Suppliers, Affiliates, and associates shall be liable to all ad valorem charges for levies, duties, fees (including all associated import inspection fees), Goods and Services Tax surcharges, excise duties, custom duties, advance income tax, ECOWAS levy and all other amounts levied on or payable in respect of imports of all items as follows:

i) machinery, plant and equipment, and consumable mining stores (as defined in Clause 6.9 (f) below), and consumables for mining, processing and other related activities shall be totally exempt; and

ii) all imports for non-mining or non-processing related activities shall be charged at the reduced rate of 2.5% for a period up to of 10 years, from First

Pour Date, and subsequently, at the rate to be determined in accordance with Applicable Law).

b) Notwithstanding the current charges, fees, duties and levies made directly and indirectly by the **GoSL** on imports into Sierra Leone, the **GoSL** and **FG GOLD** agree that for the duration of this Agreement **FG GOLD**, its Nominated Suppliers, Affiliates, and associates shall be liable, on all imports of fuel and lubricants, to an 'Aggregate Charge' of two percent (2%) for a period of ten (10) years. References to 'Aggregate Charges" shall include the aggregate of all taxes, levies, imposts, assessments, customs duties, fees, governmental charges and contributions (howsoever described) that are payable to the **GoSL** or its agent, upon or in relation to the importation of fuel and lubricants into Sierra Leone.

c) All imports into Sierra Leone in connection with the Baomahun Project by any Nominated Supplier shall be endorsed by **FG GOLD**.

d) For the duration of the Agreement, imports by **FG GOLD** and its Nominated Suppliers of health and safety, as well as all training and education equipment shall be exempt from any duty.

e) Expatriates and foreign staff employed by **FG GOLD** living in Sierra Leone shall also have the right to be exempted of taxes on the import of their personal effects.

f) In this Agreement, the terms mining machinery, plant and equipment and consumable mining stores shall include all machinery, plants, explosives, vehicles, and equipment useful to and used by **FG GOLD** and its Nominated Suppliers in clearing land, removing Minerals from land and transporting, separating, processing, handling and packaging such Minerals for sale, including without prejudice to the generality of the foregoing, construction materials for mining and processing, dredges, crushers, barges, coasters, transhippers, towboats, pumps, piping, screens concentrating and separating equipment, locomotives, locomotive engines, rail wagons and rolling stocks, railway signalling equipment, railway sleepers, power generating and distributing equipment, cranes, lorries road building equipment, four-wheel drive vehicles used in and ancillary to mining operations, off-road haulage vehicles, earth moving vehicles and equipment, aircrafts, helicopters, drones, mineral stores and packaging facilities together with accessories, spare parts, chemicals and appliances for use and used exclusively with any of the foregoing.

   In addition to the above, other equipment shall include surveying equipment, laboratory equipment, core cutting equipment, computers, printers, plotters, software, etc., used by **FG GOLD** in relation to mining operations and any other items required for ancillary support functions of the business.

   The term "plant" includes prefabricated fixtures, including building or building materials as well as special purpose vehicles such as dumpers and shuttle trucks for use in mining or dredging.

   The term "machinery" means machinery consisting of a combination of moving parts and mechanical elements which may be put in motion by physical or mechanical force.

g) FG **GOLD** may purchase fuel in Sierra Leone, where such fuel can be supplied on a competitive basis in terms of price, quality, and other delivery terms. Any such fuel and lubricants utilised in connection with the Baomahun Gold Project, whether by **FG GOLD,** Affiliates, agents, Nominated Suppliers and whether imported or not, shall be subject to an Aggregate Charge of three per cent (3%), for the duration of this Agreement. If at any time the Applicable Law provides a better regime with respect to charges and duties on imports for **FG GOLD** than those specified in this clause, **FG GOLD** shall apply such charges and duties to respective payment obligations.

6.10 **Payment of import duties on disposition of consumables**

If consumables on which no customs duties or levies are paid and are not re-exported or totally consumed within four (4) years after importation, and are afterwards sold, exchanged or transferred in Sierra Leone (except to the State), **FG GOLD** shall pay to the **GoSL** the duties and levies on the then fair market value on those items within forty-five (45) days of the date of sale, exchange or transfer.

6.11 **Road Users Charge**

a) Notwithstanding the provisions of the Road Users Charge Act, 1994, **FG GOLD** and its Nominated Suppliers shall be exempt from road users fuel levy applicable to users generally in respect of diesel and heavy fuel oil consumed by its vehicles, plant and machinery provided these are restricted to mining operations, logistics and infrastructure.

b) FG **GOLD** and its Nominated Suppliers shall, in accordance with Applicable Law, be liable to pay fuel levy applicable to users generally in respect of petrol consumed by its vehicles, plant and machinery.

6.12 **Goods and Services Tax**

a) Notwithstanding the provisions of the Goods and Services Tax Act (2009) (as amended), **FG GOLD**, its Affiliates, associates, and its Nominated Suppliers shall be relieved from all Goods and Services Tax levied on taxable supplies and services within Sierra Leone as well as on all imported capital goods, supplies to camp canteen and kitchen, plant, vehicles and equipment (as defined in clause 6.9 (d) above), spare and replacement parts for any plant, vehicles and equipment, any good and services for corporate/community social responsibility projects, fuel and lubricants for company and subcontractor use, and services (both professional and non-professional services), procured by **FG GOLD** in the course or furtherance of its business activity.

b) The foregoing relief shall not apply to any goods or services procured from hotels, restaurants, supermarkets and nightclubs, which shall be subject to Applicable Law.

c) **FG GOLD** shall provide periodically the list of such Nominated Suppliers, Affiliates and associates to NRA.

6.13 **Other taxes or fiscal impost**

a) For the duration of this Agreement, no taxes (including, but without limitation, income tax, additional profits tax, surtax, minor taxes, profits tax, turnover tax, sales tax, export tax, import tax, value added tax, withholding tax and employment related tax), royalties, duties, excise, charges, levies, fees, dues, contribution, payments or imposition of any kind whatsoever payable to the central, regional or local Governments authorities (directly or indirectly) or agents or to any Chiefdom or Tribal Authority or to any other Agency of the **GoSL** shall apply to **FG GOLD**, or any affiliate company or Agent of **FG GOLD** or the employees, including but not limited to the Management, of **FG GOLD** or any Affiliates , other than those expressly assumed by **FG GOLD** pursuant to the provisions of the Mining Licence and this Agreement.

b) Except as provided in this Agreement, no tax, royalty, duty, excise, profit share, commission, levy, fee, dues, contribution, payment, or imposition of any kind whatsoever (other than those provided for in this Agreement) shall be payable by **FG GOLD**, or by its employees or shareholders, or Investor or by any Affiliate or agent of **FG GOLD** or its Nominated Suppliers.

6.14 **Repatriation Holding and Introduction of Funds**

a) **FG GOLD** shall have the right, during the term of this Agreement, to freely receive and pay, hold in banks of its own choice, wherever located, and dispose of in any country all revenues, receipts and other foreign currency funds held by it under or in connection with its mining operations.

b) **FG GOLD** shall be exempt from any commission, charge, or levy payable to the **GoSL** on the introduction or investment of funds from a foreign source into Sierra Leone.

6.15 **Airport, Aeronautical and Non-Aeronautical charges**

a) Save for inspection fees for services requested by **FG GOLD** and rendered by third-party service providers, the GoSL shall collaborate with FG GOLD, and use its best endeavours, to procure the lowest possible rates of all airport, aeronautical and non-aeronautical charges that may be levied by either the GoSL, or any GoSL's and its agencies, in relation to the operations of **FG GOLD,** including operations of entities affiliated to **FG GOLD.** Nominated Suppliers, aircrafts, overseas flights and other flying assets, and subcontractors conducting work or services on behalf of or for **FG GOLD.**, including but not limited to the Sierra Leone Civil Aviation Authority.

With respect to services rendered by third-party service providers, the **GoSL** shall collaborate with **FG GOLD**, and use its best endeavours, to procure the lowest possible rates from such service providers and ensure that the third- party service providers complete the requested inspection services within 7 days of arrival of the FG GOLD shipment at the airport.

b) In the event that the Sierra Leone Civil Aviation Authorities or other responsible public body fails to provide any of the services for which FG GOLD is required to pay any of the above listed charges, and/or any other amounts that are otherwise exempted pursuant to this clause, and **FG GOLD** thereby incurs any cost or expenses in providing or obtaining such services, FG Gold shall be entitled to deduct any such cost and expense incurred from any amounts (excluding Royalty Payments) that are otherwise payable to the Sierra Leone Aviation Authorities, , the GoSL and/or any other relevant public body.

c) FG GOLD shall have the right to source and utilise, at its sole discretion, any aeronautical and non-aeronautical services (whether local or foreign), and transport companies for the export of Gold Bar(s) and movement of personnel and goods. For the avoidance of doubt, neither FG GOLD nor its Nominated Suppliers shall be required to change the flag state of any of their aircrafts at any time.

6.16 **Port, harbour dues or fees and stevedoring charges**

a) Save for inspection fees for services requested by **FG GOLD** and rendered by third-party service providers, the GoSL shall collaborate with FG GOLD, and use its best endeavours, to procure the lowest possible rates for all port, harbour, loading, unloading dues or fees and stevedoring and storage charges that may be levied by either the Sierra Leone Ports Authority, Sierra Leone Maritime Administration or any Agencies, organization or legal entity, whether private or public, in relation to the operations of **FG GOLD,** including operations of entities affiliated to **FG GOLD.** Nominated Suppliers, ocean going vessels and other marine assets, and subcontractors conducting work or services on behalf of or for **FG GOLD,** notwithstanding the provisions of any legislation related to the Sierra Leone Ports Authority (**SLPA**), Sierra Leone Maritime Administration (**SLMA**), and any agreement of the **GoSL** with any Agencies in relation to SLPA and SLMA activities, including but not limited to inspection and/or valuation services.

With respect to services rendered by third-party service providers, the **GoSL** shall collaborate with **FG GOLD**, and use its best endeavours, to procure the lowest possible rates from such service providers and ensure that the third- party service providers complete the requested inspection services within 7 days of arrival of the FG GOLD shipment at the port.

6.17 **Community Development Fund**

a) **FG GOLD** agrees to make payments, under the Community Development Agreement, totalling one percent (1% (one percent) of the Net Revenue.

b) Any payments made pursuant to the Community Development Agreement, and donations of funds, equipment, or goods (including medicines and drugs) to any clinic, health facility or primary, secondary or tertiary education institution situated in Sierra Leone, whether or not solely for the benefit of the primary host community, **FG GOLD**' employees or otherwise, shall be treated as an allowed deduction as per Income Tax Act.

6.18 **National Social Security and Insurance Trust — NASSIT, and PAYE for Expatriates**

a) **FG GOLD** (in its capacity as employer of Expatriates and non-Sierra Leonean employees and consultants), Expatriates and non-Sierra Leonean employees and consultants of **FG GOLD**, its Nominated Contractors, Affiliates, associates are exempted from National Social Security and Insurance Trust ("NASSIT") scheme withholding and other taxes on their income or fees - notwithstanding the provisions of the National Social Security and Insurance Trust Act and provisions of any Sierra Leonean legislation in relation to payment of income tax.

b) **FG GOLD**, Expatriates and non-Sierra Leonean employees and consultants of **FG GOLD** and its Nominated Contractors, Affiliates, associates and subsidiaries shall pay PAYE at the rate of twenty-five per cent (25%) on their income that is attributable to activities undertaken in Sierra Leone.

6.19 **Capital Gains Tax**

Notwithstanding the provisions of any legislation related to the Capital Gains Tax application in Sierra Leone, **FG GOLD** and/or the Investor:

a) shall neither apply nor pay capital gains tax for each and all transactions between **FG GOLD** and/or Affiliates, otherwise related parties, and Lenders or financial institutions.

b) save as provided in clause 6.19(a) above, shall pay capital gains tax at the rate of:

i) twenty-five per cent (25%) from the date of this Agreement until financial close under the Loan Facility **(Financial Close);**
ii) Twenty per cent (20%) from Financial Close to First Pour; and
iii) Five per cent (5%) thereafter.

c) If at any time any Applicable Law provides a better regime with respect to capital gains tax for **FG GOLD** than those specified in this clause, **FG GOLD** shall apply such taxes to the respective payment obligations.

6.20 **Other concessions on expenses**

The **GoSL** is guaranteeing **FG GOLD** that it shall procure that its Tax and other related Agencies shall grant allowable deductions in respect of the following expenses in any year of assessment, in accordance with the Income Tax Act, 2000 (as amended), as follows:

a) Research and development costs – One Hundred per cent (100%);

b) Training expenses for local staff – One Hundred per cent (100%);

c) Social and development expenses - One Hundred per cent (100%);

d) Expenses on promoting exports – One Hundred per cent (100%);

e) Expenses incurred in engaging disabled persons including salaries – two hundred per cent (200%);

f) Expenses on social services including but not limited to the building of schools, hospitals and any investment that is outside the corporate social responsibility obligations that may be available to the public for use free of charge. These shall be eligible for deduction from profit of 100% of the costs incurred up to the extent of profits for the purposes of the Income Tax Act 2000 (as amended);

g) Exploration expenses – One Hundred per cent (100%); and

h) Allowable deductions granted by this Agreement can be carried forward and or rolled over from year to year indefinitely from the date of this Agreement.

6.21 **Water extraction from rivers, streams, and related fees**
Notwithstanding the provisions of any legislation under Applicable Law relating to water extraction from including but not limited to rivers, streams, etc, **FG GOLD** and its Nominated

Suppliers shall be exempted from obtaining license and payment of fees thereto for the tenure of the Mining License.

6.22 **Interpretation of fiscal advantages**

Any fiscal benefits granted to **FG GOLD** shall also apply to its Nominated Suppliers.

6.23 **Contracting, Suppliers, and Vendors**

FG GOLD and its Affiliates are allowed at all times to use any contractor, in country or offshore, supplier, vendor, or service provider for any service at the best available market rates at all times or perform such services on its own or by one of its Nominated Suppliers and selected at its sole discretion.

7 WAIVER OF IMMUNITY

The GoSL unconditionally and irrevocably agrees that the execution and performance of this Agreement constitutes a private and commercial act. In addition, the GoSL unconditionally and irrevocably:

7.1 waives to the fullest extent permitted by the laws of any applicable jurisdiction any right of immunity as to it or its property (excluding any diplomatic protected, non-commercial property) in respect of the enforcement and execution of any arbitration award rendered under this Agreement;

7.2 waives any right of immunity which it or any of its assets now has or may acquire in the future whether characterised as sovereign immunity or otherwise in any jurisdiction in connection with any such proceedings including, without limitation, immunity from i) service of process, ii) jurisdiction or judgment of any court of tribunal iii) execution of a judgment, iv) expert determination, mediation, or arbitration proceeding commenced pursuant to this Agreement; v) any judicial, administrative, or other proceedings to aid the expert determination, mediation, or arbitration commenced pursuant to this Agreement; vi) any effort to confirm, enforce, or execute any decision, settlement, award, judgment, service of process, execution order, or attachment (including pre-judgment attachment) that results from an expert determination, mediation, arbitration, or any judicial or administrative proceedings commenced pursuant to this Agreement;

7.3 waives any requirement under the State Proceedings Act, 2000 that:

a) requires a party to give prior notice before commencing proceedings against **GoSL** (section 3 of the State Proceedings Act, 2000);

b) forbids a court from granting an injunction or specific performance or an order for recovery of property against the **GoSL** (section 18(1)(a) (b) of the State Proceedings Act, 2000);

c) waives immunity from execution against **GoSL** assets (section 21 of the State Proceedings Act, 2000); and

d) makes the **GoSL** immune from discovery (section 24 of the State Proceedings Act, 2000); and

7.4 expressly consents to any legal action or proceeding (including pre-judgment attachment) in respect of the enforcement of any judgement or arbitral award.

8 GENERAL STABLITY AND OPERATIONAL UNDERTAKINGS

8.1 The **GoSL** hereby irrevocably agrees and confirms that notwithstanding any other provision in this Agreement, **FG GOLD**, its affiliates and investors shall have the right to (and with the irrevocable consent of the **GoSL** hereby given for such) be exempted from provisions of the Customary land Rights Act and the National Land Commission Act that **FG Gold** shall deem necessary to facilitate and support the **Baomahun Gold Project** and the Mining Licence. The parties hereby agree that any such exercise by **FG GOLD** shall be by notice in writing to the Executive Director of the National Investment Board or any other relevant agency of the **GOSL**.

8.2 The **GoSL** undertakes that in the event that it enacts legislations and regulations or changes in any law, regulations, rules, policies or practices (in this provision referred to as "changes") which are more favourable to **FG GOLD**, then **FG GOLD** shall without further legislative or executive act by the **GoSL**, be automatically entitled to take the benefit of such provisions as applicable.

8.3 In the event that the **GoSL** enacts any legislation or changes any administrative rule or practice:

a) which under the laws of Sierra Leone is binding upon **FG GOLD** (and/or its Affiliates);

b) which results in more onerous obligations being placed upon **FG GOLD** than those subsisting at the Effective Date;

c) which adversely impacts the economic position of **FG GOLD** (save for any financial obligations that are subject of clause 6.18(a));

then without prejudice to any other right **FG GOLD** may have against the **GoSL**, the **GoSL** shall hold **FG GOLD** (and/or its Affiliates) harmless in respect of the increased cost of performing the more onerous obligation;

8.4 The GoSL confirms that the **Baomahun Gold Project** is an existing investment and undertakes that the provisions of any Applicable Law (including those coming into effect after the date of the Mining License) which entitles the state or any of its agencies, Sierra Leoneans, landowners or project communities to participate in private enterprises on non-commercial terms, or in a mandatory or expropriatory manner (subject to the Constitution), shall not apply to **FG GOLD**.

8.5 The **GoSL** confirms and undertakes that sections 26 (2), 26 (3), 27 (1) 28, 32, 35, 37, 41 and 42 of the Customary Land Rights Act shall not be applicable to the **Baomahun Gold Project** and to **FG GOLD**.

8.6 <u>The **GOSL** undertakes that all agreements entered into by **FG GOLD** with the **GOSL** or by **FG Gold** with third parties as approved by the **GOSL** and all **FG GOLD** investments made prior to the commencement of the National Investment Board Act, the National Land Commission Act and the Customary Land Rights Act shall continue to be valid and have effect as agreed by the parties and approved by the **GOSL**.</u>

8.7 The GOSL undertakes that the <u>**Mining Licence Area**</u> shall not be altered except in accordance with clause 4 of this Agreement.

8.8 GoSL undertakes that the provisions of any Applicable Law which entitles the state or any of its agencies to participate in private enterprises on non-commercial terms, or in a mandatory or expropriatory manner, shall not apply to **FG GOLD**.

The Parties agree to always be open to discussing any matter which may help maximize the positive development benefits of the mining operations or minimize its undesirable impacts. if the legislation and regulation is non-discriminatory" then is binding to FG Gold).

9 EXPROPRIATION

9.1 Pursuant to the Constitution of the State, and to clause 12 below, **GoSL** undertakes not to, and shall not, and shall procure that none of its ministries, departments, agencies, or such other public authority shall, expropriate or take any act equivalent to expropriation, including any step as part of a process of expropriation, in relation to the Investor, **FG GOLD**, and its Affiliates, in respect of any:

a) mining plant, infrastructure, equipment or other property located within the Mining Licence Area;

b) Minerals, the mining of which is authorized under the Mining License(s) or the product derived; therefore; or

c) any equity, shares or ownership interests of whatever nature held in or issued by **FG GOLD**.

d) any plant, equipment, transportation means, aircrafts, helicopters, drones, construction equipment, heavy gears, and other operational related equipment owned or operated by or for or in connection or conjunction with Baomahun Gold Project.

10 COVENANT OF QUIET ENJOYMENT.

a) The **GoSL** hereby warrants, and defends **FG GOLD's** title to, possession and peaceful enjoyment of all rights granted to it by this Agreement, and the Mining Licence.

b) The **GoSL** shall take all:

i) steps to ensure that **FG GOLD** enjoys quiet enjoyment of its rights in respect of the Baomahun Gold Project;

ii) measures to facilitate the implementation by **FG GOLD** of the objectives of this Agreement, and

11 PROTECTION OF FOREIGN INVESTMENTS

a) All foreign investments within the territory of Sierra Leone shall enjoy the legal protection guaranteed by the Constitution, Applicable Law, foreign investment laws, other laws and regulations and the international treaties to which Sierra Leone is a party.

b) The Investor's and Affiliates' capital, property and assets shall not be expropriated.

c) The Investor and Affiliates shall be entitled to conditions no less favourable than the conditions granted to domestic investors of the **GoSL** regarding the right to own, utilize, spend, and repatriate its investment.

d) The **GoSL** warrants that the Investor and Affiliates shall be entitled to treatment no less favourable than it accords to investments of its own investors or to investments of investors of any other state.

e) The **GoSL** hereby warrants and defends **FG GOLD's** title to possession and peaceful enjoyment of all rights granted to it by this Agreement and all of its property in Sierra Leone against expropriation, confiscation, condemnation, wrongful possession, and to the extent possible, destruction, disruption, or interference by any ministries, departments, Agencies or such other public authority and/ or representative of the **GoSL**.

12 GENERAL PROVISIONS

12.1 Assignment and Change of Control

a) Subject to clause 12.4, **FG GOLD** shall not assign to any person, firm or corporation not being a party hereto, in whole or in part, any of its rights or privileges, duties or obligations under this Agreement other than in accordance with section 119 of the Minerals Act or otherwise agreed in writing by **GoSL**.

b) **FG GOLD** shall provide written notice to the **GoSL** of any Change of Control within thirty (30) days after the consummation of such Change of Control.

c) Change of Control and/or any change in **FG GOLD** underlying ownership or control shall not impose or create a tax liability save Capital Gains Tax under this Agreement and/or Applicable Law, that **FG GOLD** must assume, pay, or fund.

12.2 Compliance with Minerals Act and other Acts of Parliament

Subject to the terms of this Agreement, (including but without limitation clause 6.12), **FG GOLD** shall at all times comply with the provisions of the Minerals Act and other relevant laws and regulations (including any official form prescribed by such regulations) in connection with the carrying out of its obligations and work as described in this Agreement, except to the extent that they are inconsistent with the provisions of this Agreement.

12.3 Reporting

FG GOLD shall comply with

Ministry of Mines and Mineral Resources

the Applicable laws regarding reporting its activities and other reasonable requests for information from the Minister.

12.4 Creation of Security Interests

a) Notwithstanding any other provision of this Agreement, **FG GOLD**, Investors, Affiliates shall have the right (and with the irrevocable consent of the **GoSL** hereby given for such) to pledge or otherwise create security interests over the Mining Licence, this Agreement, and/or its properties, shares, and/ or other interest, in order to secure any financing arrangement.

b) The **GOSL** shall:

i. provide each Lender, creditor, mortgagee, trustee, receiver or administrator (as applicable) under a mortgage, deed, trust or other instrument encumbering **FG GOLD's** right under the Mining Licence and this Agreement with a copy of any written notice regarding non-payment of the Royalty Payments or other non-compliance with the terms of the Mining Licence and this Agreement, and any written notice of termination to **FG GOLD** under clause 12.14;

ii. if required by such Lender, creditor, mortgagee, trustee, receiver or administrator (as applicable), provide such information, documentation and other conditions precedent as may be reasonably required from time to time;

iii. co-operate in good faith with **FG GOLD** and each Lender, creditor, mortgagee, trustee, receiver, or administrator (as applicable) in respect of the financing and comply with any reasonable requests; and

iv. be a party to a Direct Agreement(s), with the content as Lender(s) may request as part of its security and support documentation for Loan Facilities.

c) **FG GOLD** and each Lender, mortgage holder, trustee, receiver, or administrator shall have the duty to notify the **GoSL** of its name and mailing address. Each such Lender, mortgagee, trustee, receiver, or administrator shall have a reasonable period of time from the date of receipt of such copy notice under 12.4 9(b) (i) (being at 90 days) in which to remedy any non-payment or non-compliance complained of and substantiated by the **GoSL**.

d) The **GoSL** hereby irrevocably agrees and grants its consent (to the extent necessary and/or applicable) to **FG GOLD** such that:

i. **FG GOLD** is able and permitted to pledge, charge and otherwise secure for financing purposes under this Agreement and/or the Mining Licence and/or its properties, shares, and/ or other interest (further to clause 12.4(a) above);

ii. that any Lender(s) is entitled to exercise its rights under the Direct Agreement, including, but not limiting to, the sale of the Baomahun Gold Project or ownership takeover.

12.5 **Consent or Approval**

a) Whenever, under the terms of this Agreement the right of **FG GOLD** or of **GoSL**, as the case may be, to do or perform any act or thing is conditional on the prior consent of the other party to the Agreement or of an official or representative of such other party, it is hereby stipulated and agreed by and between the parties hereto that the requisite consent or approval shall not in any instance be unreasonably conditioned, withheld or delayed.

b) Whenever such approvals are required from the **GoSL**, **FG GOLD** shall deal with the relevant ministries, departments and Agencies of the **GoSL** and may liaise through the Ministry of Mines to expedite the required approval .

12.6 **Confidentiality**

The **GoSL** will keep confidential all Information provided to it by **FG GOLD**, whether before or after the date of this Agreement, and confirms that it shall not disclose such information to any third party without the prior written consent of **FG GOLD** and in accordance with the Applicable Law, subject to reimbursement of all awarded damages (including loss of profit thereto).

12.7 **Corrupt Practices**

a) **FG GOLD** represents and warrants that none of **FG GOLD**, any of its employees acting in the course of their employment and any person acting on behalf of **FG GOLD** has made or promised to make any payment or transfer of anything of value, directly or indirectly, to or for the benefit of any government official or a family member of or an intermediary for payment to or for the benefit of a government official or a family member or business partner of a government official in connection with this Agreement or the transactions contemplated hereby.

b) The **GoSL** represents and warrants that neither the **GoSL** nor any government official on behalf of the **GoSL** has solicited any payment or transfer of anything of value, directly or indirectly, to or for the benefit of the **GoSL** or any government official in connection with this Agreement or the transactions contemplated hereby.

c) The Parties shall comply with anti-corruption laws at any time and from time to time applicable in accordance with the Applicable Law and the law of England and Wales.

12.8 **Interpretation, Arbitration, and Dispute Resolution**

a) Except as may be otherwise herein expressly provided, this Agreement shall be construed, and the respective rights of the **GoSL** and **FG GOLD** hereunder shall be determined, according to the Applicable Law.

b) Any Party alleging the existence of a Dispute shall give written notice of the Dispute to the other party giving the material particulars of the Dispute (a **Dispute Notice**). Within five (5) Business Days of the service of a Dispute Notice, one director or other senior representative of each Party with authority to settle the Dispute shall meet to seek to resolve the dispute amicably (the **Authorised Representatives).** If within fifteen (15) Business Days of service of the Dispute Notice (or within such longer period of time as the Parties may agree), no meeting has taken place or the Dispute has not been amicably resolved, either Party shall be entitled to refer the Dispute to arbitration in accordance with Clause 12.8 (c) of this Agreement.

The Parties agree that this clause 12.8(b) may not be used as an admissibility or jurisdictional bar to commence arbitral proceedings under clause 12.8(c) or to seek any urgent, interim or conservatory measure.

c) All Disputes arising out of, related to or in connection with this Agreement that have not been settled in accordance with Clause 12.8 (b) of this Agreement shall be referred and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce (the "**Rules**"), which Rules are deemed to be incorporated by reference into this clause, by a tribunal of 3 (three) arbitrators who shall have the exclusive jurisdiction to decide the Dispute. The seat of the arbitration shall be London, England. The English language shall be used in the proceedings. The arbitration shall be governed by the Law of England and Wales. The award and any decision of the tribunal shall be final and binding and automatically enforceable, having the same force and effect as a judgment of the Supreme Court of the Republic of Sierra Leone or the supreme court of the last resort by way of appeal in any jurisdiction other than Sierra Leone. The Parties shall comply and shall ensure compliance with any award or decision of the Tribunal (including any interim, provisional or conservancy measure). The Parties waive irrevocably their right to any form of appeal, review or recourse to any state court or other legal authority, insofar as such waiver shall not be prohibited under the Applicable Law.

d) Should any Dispute arise under this Agreement, the Parties agree to continue to perform their respective obligations under this Agreement.

e) The **GoSL** irrevocably waives any right to assert any defence of sovereign immunity as to it and its property in respect of: (i) the institution and conduct of any arbitration proceeding pursuant to this Agreement, the interpretation of the **GoSL's** obligations under this Agreement, or the grant of any relief (including, but not limited to, interim relief or provisional and emergency measures) in connection with such a proceeding; and (ii) the recognition, enforcement and execution of any award rendered by any arbitral tribunal pursuant to this clause.

12.9 **Temporary Suspension**

The Director of Mines may temporarily suspend mining operations on an emergency basis in accordance with Section 52(1) of the Minerals Act after notifying **FG GOLD** in writing and giving a reasonable period to remedy the breach and comply with the Mining Act if it can be remedied without the need to suspend the operation.

12.10 **Suspension/Cancellation by the Government**

a) Subject to the provisions of any Direct Agreement, if and when any sum of money payable hereunder by **FG GOLD** as an annual charge or the Royalty Payments is in arrears for the continuous period of 6 (six) months after the date on which it becomes due and payable and the **GoSL** has after the expiry of that period given **FG GOLD** at least a further 3 (three) months' notice in writing of such non-payment or if **FG GOLD** shall enter into liquidation, then and in any such case, **GoSL** may (subject to the terms of this Agreement) suspend or cancel the Mining Licence and thereupon the rights granted under the Mining Licence and this Agreement shall temporarily be suspended in the case of suspension or otherwise permanently cease and determine, but subject nevertheless and without prejudice to any obligation or liability already incurred or right that has already arisen.

b) Any other circumstances that may give rights of suspension, termination, revocation, recission or cancellation of the Mining Licence under the Minerals Act or this Agreement shall only be exercised following 6 (six) months' written notification to **FG GOLD** giving **FG GOLD** a reasonable opportunity to cure or find a solution/agreed resolution to such alleged breach, failure or non-compliance within a reasonable period of at least 180 days. In the event that **FG GOLD** disputes the written notification and/or proposes a reasonable solution which is not accepted by the **GoSL**, then the **GoSL/FG GOLD** shall follow the Dispute resolution process as outlined in Clause 12.8.

c) Neither Party shall suspend, terminate, rescind or cancel the Mining Licence, this Agreement, or any of their respective obligations until the Dispute is finally resolved in accordance with clause 12.8, and both parties shall be bound by that award which shall as the case maybe determine either party's rights to suspend, terminate, rescind, revoke, or cancel the Mining Licence, this Agreement, or any of their respective obligations.

12.11 **<u>Ratification and Amendment</u>**

a) Immediately upon execution of this Agreement, the **GoSL** shall cause this Agreement to be ratified by the Parliament and promptly publish the ratified Agreement in the Sierra Leone Gazette.

b) In the event that **GoSL** and **FG GOLD** mutually agree to amend any of the provisions of this Agreement, including any agreement to vary the terms of this clause, such amendment may be effected by agreement between the Parties evidenced by an instrument in writing **<u>only</u>** and shall take effect without further ratification by Parliament, save to the extent that it may be inconsistent with any law in force in Sierra Leone at the time when such Agreement between the parties is executed in which event such amendment will be ratified by the Parliament.

12.12 **<u>Force Majeure</u>**

a) Failure or partial failure on the part of either **FG GOLD** or the **GoSL** to fulfil any of the terms and conditions of this Agreement shall not give rise to a claim by the other party or be deemed to be a breach of the Agreement insofar as the failure or partial failure arises from force majeure, and if through force majeure the fulfilment by either **FG GOLD** or the **GoSL** of any of the terms and conditions of this Agreement is delayed, then the period of such delay shall be added to the periods fixed by this Agreement.

b) The payment obligations of **FG GOLD** shall be suspended for the duration of any force majeure event and shall remain due and payable.

c) In this clause, the expression "force majeure" includes, without limitation, an act of God, peril of air, land or sea navigation, action of the elements, storm, flood, earthquake, ground cave-in, subsurface pollution (natural gas etc.), explosion, fire, terrorist activity or other hostilities, war (declared and undeclared), blockade, insurrection, civil commotion, riot, epidemics of any scale, pandemics of any scale, medical emergency, revolution, embargoes or any other event beyond the reasonable total control of the affected party and whether such event was foreseeable or not. The expression "the Agreement" includes not only the terms and conditions of the Agreement but also the terms and conditions of the Mining Licence.

d) Any claim of force majeure must be notified in writing by the affected party to the other party promptly following the date when the force majeure occurred, or the affected party should have reasonably known of the event of force majeure.

Provided that in the event **FG GOLD** suffers losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the **GoSL**, **FG GOLD** shall be accorded by the **GoSL** treatment as regards restitution, indemnification, compensation or other settlement, no less favourable than what the **GoSL** accords its own nationals or companies or to nationals or companies of any other country.

12.13 **Notification**

a) All orders, approvals, declarations, notices and communications of any kind between the **GoSL**, the Minister or any other representative of the **GoSL** and **FG GOLD** shall be in writing and the contracting parties shall not under any circumstances be permitted to allege or to reply upon any oral order, approval, declaration notice or communication from the **GoSL** to **FG GOLD** and any such written notice, etc. from the **GoSL** to **FG GOLD** shall be delivered to the registered office of **FG GOLD** or such other address as may be furnished in writing, addressed to **FG GOLD** for the attention of the directors.

b) All declarations, notices and communications from **FG GOLD** to the **GoSL** shall, unless otherwise required by law or by the terms of this Agreement or unless the **GoSL** shall otherwise direct by written instructions to **FG GOLD**, be mailed or delivered to the Director of Mines at his office in Freetown.

12.14 **RIGHT OF TERMINATION by FG GOLD**

a) Notwithstanding any other provision under this Agreement, **FG GOLD** shall have the right to terminate this Agreement at any time by (i) providing not less than ninety (90) days' notice in writing to the **GoSL** to that effect and (ii) complying with such conditions as may be prescribed or stated in this Agreement and any other Legislations relevant to the programme of operations.

b) Upon termination, the Parties shall be entitled to receive such amounts owing to them before the termination of this Agreement. Such termination shall be without prejudice to any liabilities or obligations incurred by **FG GOLD** in relation to the Mining Licence Area prior to the date of termination.

c) Following the termination of this Agreement for any reason, the party aggrieved thereby shall be entitled to claim for damages, compensation or relief in accordance with the relevant principles.

12.15 **Applicable Law**

Except as otherwise specifically provided in this Agreement, this Agreement shall be governed by, interpreted and construed in accordance with the Applicable Law and where the Applicable Law is silent or no principles of law exist in relation to any matter or Dispute related to this Agreement, then that matter or Dispute shall be decided in accordance with the law of England and Wales (without regard to conflict of laws provisions) or as otherwise agreed upon by the Parties. This Agreement shall be subject to the international legal principle of *pacta sunt servanda* (agreements must be observed).

....

SIGNED, SEALED AND DELIVERED BY

Hon. Musa Timothy Kabba

The Minister of Mines and Mineral Resources

Representing the Government of the Republic of Sierra Leone

In the presence of:

....

Mr. Kenie Lamin

Senior Permanent Secretary

....

SIGNED, SEALED AND DELIVERED BY

Hon. Dennis Vandi

The Minister of Finance

For and on behalf of the **Ministry of Finance**

In the presence of:

....

Mr. Sahr Jusu

Financial Secretary

Ministry of Finance

SIGNED, SEALED AND DELIVERED

For and on behalf of FG Gold Limited

....

Mr. Oliver Andrews
Executive Chairman
FG Gold Limited

In the presence of:
Witness signature: ....
Name: NANI GOPAL CHAKRABORTY
Address: 3 HILLCOT ROAD
Occupation: EXACUTIVE ADMINISTRATOR