

KAROUNI MINERAL AGREEMENT

Guyana Geology and Mines Commission

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**GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN**

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GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN

MINERAL AGREEMENT dated as of 16th October, 2014

BY AND AMONG:

THE CO-OPERATIVE REPUBLIC OF GUYANA, a Sovereign State organized in such territory, on such principles and according to such rules as are described in the Constitution of the Co-Operative Republic of Guyana proclaimed into operation as of October 6, 1980 as amended,

(hereinafter, "GoG" or the "Government") together with,

THE GUYANA GEOLOGY AND MINES COMMISSION, an agency of the Government and a body corporate duly established under the Geology and Mines Commission Act 1979 (Guyana), as amended, and duly authorized by its Board

(hereinafter, the "Commission") represented herein by the Hon. Robert M. Persaud, MBA, MP. Minister of Natural Resources and the Environment, having responsibility for mining (hereinafter the GoG and the Commission are collectively referred to as the party of the first part)

AND:

PHARSALUS GOLD Inc, a company incorporated under the Companies Act No.29 of 1991 of the laws of Guyana, having its registered office at 82 Premniranjan Place, Prashad Nagar, Georgetown, Guyana (hereinafter referred to as "Company 1"), together with,

TROY RESOURCES GUYANA Inc, a company incorporated under the Companies Act No.29 of 1991 of the laws of Guyana, having its registered office at 82 Premniranjan Place, Prashad Nagar, Georgetown, Guyana (hereinafter referred to as "Company 2"), together with,

TROY RESOURCES LIMITED, a company incorporated under the laws of Australia, having its principal place of business at Unit 12, 1st Floor, 11 Ventnor Avenue, West Perth, WA 6005, Australia (hereinafter referred to as 'the Company');

(hereinafter, PHARSALUS GOLD Inc, TROY RESOURCES GUYANA Inc, and TROY RESOURCES LIMITED are collectively referred to as the "Party of the second part")


**GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN**

PREAMBLE

- A. **WHEREAS** Company 1 and Company 2 are wholly owned subsidiaries of Troy Resources Limited;
- B. **WHEREAS** Company 1 holds various rights and interests in the area in Region 7 of Guyana in the Mazaruni Mining District No. 3 which is commonly referred to as "the Karouni Project";
- C. **WHEREAS** on the 17th October, 2014, the GoG and Troy Resources Limited concluded a legally binding and enforceable Memorandum of Understanding regarding a Mineral Agreement and a Mining Licence under the Mining Act, Statutes of Guyana No. 20/1989, passed by the National Assembly on December 28, 1989 and assented to by the President on December 30, 1989 (the "Mining Act");
- D. **WHEREAS** pursuant to that Memorandum of Understanding and the Mining Act, Company 2 will receive in due course a Mining Licence that will encompass the area of land (the "Property") described on Schedule "A" (the "Mining Licence");
- E. **WHEREAS** section 17 (3) (a) of the Mining Act authorizes the granting of a Mining Licence to a company, within the meaning of the Companies Act (Guyana), which sets forth certain conditions for the issuance of the Mining Licence;
- F. **WHEREAS** section 47 (l)(b) of the Mining Act provides that a Mining Licence may contain provisions relating to such matters as the Commission may determine for the purposes of the Mining Act;
- G. **WHEREAS** section 19 of the Mining Act authorizes the Commission, with the approval of the Minister under the Mining Act, to enter into a Mineral Agreement (not inconsistent with the Mining Act) with respect to the matters enumerated in section 19 thereof and, in particular, with respect to the granting of a Mining Licence and any matter incidental thereto or connected therewith;
- H. **WHEREAS** the GoG deems it appropriate to provide for the making of such lawful Orders and administrative acts by such Ministers, Government Authorities and the giving of such undertakings by GoG in respect of such matters as are hereinafter described;

NOW, THEREFORE, with a view to ensuring the efficient, effective and orderly operations and mining of the minerals covered by the Mining Licence as more particularly detailed hereinafter, for the greater benefit of the people of Guyana, its Government and the shareholders and employees of the Company and its Affiliates, the Parties hereby formally agree as follows:

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GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN

1. INTERPRETATION

1.1 DEFINITIONS: Unless otherwise required or indicated by the context, the following terms shall respectively have the following meanings ascribed thereto:

"Act" means any written law of Guyana made in the manner prescribed by article 170 of the Constitution and any other act as defined in the Interpretation Act.

"Affiliate": means, in relation to a Party, under this Agreement, a body corporate:

- (i) which is directly or indirectly controlled by such Party; or
- (ii) which directly or indirectly controls such Party; or
- (iii) which is, directly or indirectly, controlled by a company or corporation that also, directly or indirectly, controls such Party.

For the purposes of this definition "control" of a body corporate means the power to direct, administer and dictate policies of such body corporate, it being understood and agreed that control of a body corporate can be exercised without direct or indirect ownership of fifty percent (50%) or more of its voting shares, provided always that direct or indirect ownership of fifty percent or more of such voting shares shall be deemed to be effective control.

"Agreement", "hereby", "herein", "hereof", "hereto" and "hereunder" and similar expressions refer to this Agreement as the same may be amended from time to time, and not to any part or other provision hereof.

"Applicable Law" means any and all Acts (including Subsidiary Legislation), laws, statutes, regulations, ordinances, rules, guidelines, policies, notices, Orders and directions or other requirements of any Government Authority applicable to the Parties, this Agreement and the transactions set forth herein, the Company, the Prospecting Licence, the Mining Licence, the Environmental Authorization, the Project or the Assets granted by GoG or any Government Authority.

"Applied Tax Laws" shall have the meaning ascribed thereto in clause 9.8 hereof.

"Arms Length" shall be determined in accordance with the Applicable Law including generally accepted accounting principles, regulations and standards.

"Articles" means the Articles of Incorporation of Troy Resources Guyana Inc. filed on 17 December 2013 as evidenced in Schedule "B" and any amendments thereto.

"Assets" means, collectively, all assets, facilities, buildings, equipment, rights and machinery owned or to be acquired by the Company for the purposes of the Project.

"Authorization" means an authorization, consent, approval, resolution, licence, permit, permission, exemption, filing, registration and notarization, in each case issued or granted by the Government or a Government Authority.

"Base Metals", as such term is used in the definition of Valuable Minerals for purposes of this Agreement, means all common metals, including but not limited to copper, iron, lead, zinc, tin, manganese and tungsten, as opposed to precious metals such as gold, silver, platinum and palladium.

"Commencement of Commercial Production" means the last day of the first period of 30 consecutive days (excluding days, if any, where Mining Operations are legally required to be suspended) during which Mining Operations have been conducted pursuant to the Mining Licence for the purpose of earning revenue, on a reasonably regular basis and at 60% or more of the rated capacity of the processing facilities forming part of the Project assets as established by the Final Economic Assessment, provided that no period of time during which ore produced from Mining Operations is shipped from the Mining Area for testing purposes shall be taken into account in determining the date of Commencement of Commercial Production.

"Commission" means the Guyana Geology and Mines Commission and any successor thereto which is a body corporate or other agency of the Government.

"Commissioner" has the meaning ascribed to it in the GGMC Act.

"Commissioner General" shall have the meaning ascribed to it in the Guyana Revenue Authority Act 1996.

"Company" means TROY RESOURCES LIMITED and any successor body corporate.

"Company 1" means PHARSALUS GOLD Inc. and any successor body corporate.

"Company 2" means TROY RESOURCES GUYANA Inc. and any successor body corporate.

"Concentrates" means a mineral concentrate produced from mine ore.

"Constitution" means the Constitution of the Co-operative Republic of Guyana 1980 proclaimed into operation as of October 6, 1980, as amended.

"Contractor" means an independent entity which contractually agrees to furnish a certain number or quantity of goods, materials, equipment, personnel and/or services that meet or exceed stated requirements or specifications at a mutually agreed upon price and within a specified timeframe to another independent entity called the principal or owner of the project.

"Corrective Action" shall have the meaning ascribed thereto in clause 15.5 hereof.



"Court" shall have the meaning ascribed thereto in clause 17.4 hereof.

"Customs Personnel" shall have the meaning ascribed thereto in clause 8.3 hereof.

"Development" means all work that may reasonably be required in connection with the preparation of a Mine, or any portion thereof, for the conduct of Mining including, but not limited to, the construction and installation of facilities and the procurement of materials, tools, equipment and supplies.

"Effective Date" means the effective date of this Agreement as set forth in clause 18.1 hereof.

"ESIA" means the Environmental and Social Impact Assessment prepared by or on behalf and at the request of Troy Resources Limited, which ESIA describes the anticipated environmental and social impacts of the Project in Guyana.

"EMP" means the Environmental Management Plan prepared by or on behalf of the Company as filed with the Commission.

"Environmental Authorization" means the Environmental Authorization obtained by the Company from the Environmental Protection Agency dated pursuant to the 1996 Guyana Environmental Protection Act.

"Exempted Tax Laws" shall have the meaning ascribed thereto in clause 9.17 hereof.

"Expatriate", "Expatriate Employee" and "Expatriate Personnel" shall respectively have the meanings ascribed thereto in clause 10.1 hereof.

"Exploration" means any activity performed with a view to determining the existence, location, quantity or quality of Valuable Minerals in Guyana.

"Exploration Expenses" means any expense incurred in the conduct of Exploration.

"Expropriation" means any loss suffered by a Private Party of the actual or de facto ownership, possession or control of the Party of the second part, the Project, or the Mining and Prospecting Licenses, or of a real and material benefit derived from the Company, Project, or the Mining and Prospecting Licenses, as a consequence of any action or series of actions of GoG or any Government Authority, including confiscation of any part of or all of the Party of the second part, the Project or the Mining and Prospecting Licenses and the actions derived from the non compliance with or the unilateral termination of this Agreement, any Mining or Prospecting Licence or of any other contract entered into (whether before or after the execution of this Agreement) between a Private Party and GoG or any Government Authority in connection with the Project.

"Final Economic Assessment" means the NI 43-101 Technical Report dated July 31,

2014 prepared by Peter Doyle and Richard Maddocks of Troy Resources Limited.

"Food" means any solid or liquid and edible nutrient normally consumed by human beings as nourishment.

"Force Majeure" shall have the meaning ascribed thereto in clause 4.3.4 hereof.

"Foreign Currency Account" shall have the meaning ascribed thereto in clause 7.5 hereof.

"GGMC Act" means the Guyana Geology and Mines Commission Act 1979 and includes any Subsidiary Legislation made pursuant thereto.

"Government" means the Government of Guyana.

"Government Authority" means any present government or governmental, quasi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity and any other delegated authority by Government under this Agreement or in connection with this Agreement.

"Guyana" means the Co-operative Republic of Guyana, a Sovereign State.

"Guyana Dollar" means the dollar as the lawful unit of currency in Guyana as set forth in the Bank of Guyana Act.

"GRA" means the Guyana Revenue Authority established under the Guyana Revenue Authority Act 1996 of the Laws of Guyana and any successor thereto which is a body corporate or other agency of the Government.

"Hedging Agreements" means any agreement relating to commodity futures trading, option trading, metals trading, gold loan forward sale, option, swap, price collar or fixing contract off-take agreement or any combination thereof, and any other similar transactions.

"Household products" means any product other than food typically purchased by consumers for consumption in the household in the short term, including soaps, household cleaners, food wrapping products and the like but for greater certainty does not include furniture, household appliances and other like products which are not normally fully consumed within one year.

"Interpretation Act" means the Interpretation and General Clauses Act, Chapter 2:01 of the Laws of Guyana and any Subsidiary Legislation or orders made hereunder.

"LIBOR" in respect of any day means the annual rate of interest commonly referred to as the London Interbank Offered Rate and published from time to time in the Financial Times of London (or, failing such publication, in any other publication of general

circulation) as the reference rate of interest for U.S. Dollar loans between or among banks which are due in 60 days and, in respect of any month or part thereof, means the LIBOR on the first business day of such month. A "business day" means a day upon which licensed banks are open for business in Georgetown, Guyana, London, England, Toronto, Canada and New York City, USA, as appropriate.

"Liens" means any mortgage, pledge, security interest, encumbrance, lien, charge of any kind or any other preferential arrangement in the nature of an encumbrance or security interest, including without limitation, any agreement to give any of the foregoing, any conditional sale or title retention agreement and any lease in the nature thereof.

"Market Price of Valuable Minerals" means, for any Trading Day, for gold the spot market price in U.S. Dollars for one fine troy ounce of gold as fixed on such day by the London Bullion Houses (second fixing) and for other Valuable Minerals, the spot market price in US Dollars for the stone, metal or mineral as published by a generally recognized commodity or metals exchange.

"Material Adverse Event" means any change, event or effect that is, in the reasonable opinion of the Company or Troy Resources Limited, materially adverse to the general affairs, business, operations, assets, liabilities, condition (financial or otherwise) or results of operations or prospects of any corporate entity or group of assets taken as a whole. The following shall not be taken into account in determining a Material Adverse Event that shall have occurred after the execution hereof: any adverse change, event, or effect that is directly attributable to conditions affecting the Guyana economy generally.

"Metal Sales Contract" means any contract between Operator and any smelter, refiner or other processor or purchaser for the sale, refining or other beneficiation of Subject Minerals in any form, including concentrates, that have been produced from the Subject Properties.

"Mine" means any deposit of Valuable Minerals located in the Mining Area, including those deposits described in the Feasibility Study, and all facilities constructed or established with a view to exploiting such Valuable Minerals from such deposit and includes, without limitation, all moveable and immoveable property, tangible and intangible, owned, possessed, used or controlled by the Company in or in respect of the Mining Area, including the Mining Licence.

"Mineral Tenement" means any parcel or portion of State Land, including a Mining Area, over which any Permit or Licence has been granted;

"Mining" includes the mining, extracting, processing, milling, smelting, beneficiation, storing, handling, delivering and disposition of ore containing Valuable Minerals and any

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UPPER BRICKDAM, GEORGETOWN

other activity incidental thereto that may reasonably be required in connection therewith including, without limitation, the procurement of machinery, equipment, materials and supplies.

"Mining Act" means the Mining Act 1989 and includes any Subsidiary Legislation made pursuant thereto.

"Mining Area" means the area of land in relation to which the Mining Licence shall be granted.

"Mining Licence" means the mining licence to be granted pursuant to this Agreement and the Mining Act and referred to in clause 4.1 hereof.

"Minister", when used in conjunction with the short title of any Act or Subsidiary Legislation or in conjunction with any other subject matter, means the Minister under the Constitution and to whom responsibility for the subject matter of such Act or Subsidiary Legislation or for such subject matter generally has been assigned by the President or otherwise under the laws of Guyana, the whole as certified by the Minister responsible for mining in writing.

"Mint" shall have the meaning ascribed thereto in clause 12.1 hereof.

"National Assembly" shall have the meaning ascribed thereto in the Constitution.

"Negative Effect" shall have the meaning ascribed thereto in clause 15.5 hereof.

"Official Books" shall have the meaning ascribed thereto in clause 9.11 hereof.

"Operations" means all or any of Exploration, Development and Mining and any other act, including acts of administration and management, performed by or on behalf of the Company or Troy Resources Limited pursuant to this Agreement and for the Project's purposes as may be described in the Final Economic Assessment, the ESIA and the Mining Licence.

"Order" means any Subsidiary Legislation made under or by virtue of any Act and described therein as an order.

"Party" means a party to this Agreement and **"Parties"** means the parties to this Agreement collectively.

"Person" shall be interpreted broadly and shall include any individual, body corporate, sovereign state, government agency, body or commission, partnership, trust and unincorporated association.

"Preamble" means the preamble to this Agreement.

"President" means the President of Guyana as such office is described in the



Constitution and "Prime Minister" means the Prime Minister of Guyana as such office is described in the Constitution.

"Project" means Operations to be undertaken pursuant to the Prospecting Licence, the Feasibility Study, the Mining Licence, the Environmental Authorization and this Agreement and any Schedule thereto.

"Project Area" means the areas in which Operations will occur as described in the Final Economic Assessment, the ESIA and the Mining Licence.

"Project Lands" means any lands and infrastructures to be used, acquired, constructed, maintained or improved for Project purposes and includes any public or private property, parcels of land, or properties or property interests within the Project Area or referred to in article 5 hereof, the Mining Area and any other property owned, possessed, used or controlled by the Company or Troy Resources Limited in Guyana for Project purposes.

"Project Purposes" means any purpose of any action or undertaking that furthers the development of the Project.

"Subsidiary Legislation" shall have the meaning ascribed thereto in clause 5 (1) of the Interpretation Act.

"Schedule" means a schedule annexed to this Agreement.

"Subcontractor" means an individual or company which has a contract (as an "independent contractor" and not as an employee) with a prime Contractor to perform some or all of the prime Contractor's contractual obligations under the prime contract.

"Surface Rights" in the context of this Agreement means ownership rights (individual or collective) in a parcel of land that are limited to the surface of the property and do not include the minerals below the surface (subsurface rights).

"Unilateral Action" shall have the meaning ascribed thereto in clause 15.5 hereof.

"U.S. Dollar" means the dollar which is the lawful unit of currency under the laws of the United States of America.

"U.S. Dollar Books" shall have the meaning ascribed hereto in clause 9.11 hereof.

"Valuable Minerals" shall have the meaning ascribed thereto by the Mining Act.

"WMP" means the Waste Management Plan included in the ESIA prepared by the Company and filed with the Commission.

- 1.2 Terms not defined in 1.1 hereof but which are defined elsewhere in this Agreement shall, unless otherwise specified or required by the context, have such defined meaning

wherever used in this Agreement.

- 1.3 Capitalized letters have been used in defined terms in this Agreement for convenience of reference only, and the inadvertent or other failure to use capital letters in a defined term shall not affect the interpretation thereof.
- 1.4 Unless otherwise specified or required by the context, the use of the singular form in this Agreement shall include a corresponding reference to the plural form and use of the masculine gender shall include a corresponding reference to the feminine and neuter genders. Other grammatical variations and cognate expressions of any defined terms shall likewise be deemed to have a corresponding meaning.
- 1.5 A reference or apparent reference by name to any legislation in this Agreement shall, unless otherwise specified, be interpreted as a reference to the written law of Guyana having the corresponding short title or name.
- 1.6 A reference to an Act in this Agreement includes, unless otherwise specified or required by the context, a reference to any Subsidiary Legislation made thereunder.
- 1.7 The table of contents hereto and the Schedules are annexed hereto for convenience of reference only and shall be deemed not to form part of this Agreement unless expressly incorporated by reference herein.
- 1.8 In this Agreement, a covenant or an undertaking to perform a specified act or to perform an act for the attainment of a specified objective shall be deemed to include a covenant or an undertaking, as applicable, not to perform or to omit to perform such act as would be inconsistent with the performance of such first mentioned act or the attainment of such first mentioned objective.
- 1.9 The Parties hereby agree that the recital of events leading up to the execution of this Agreement as set forth in the preamble is true, correct and accurate in all material respects.
- 1.10 Unless defined herein or unless otherwise indicated by the context, definitions of terms set forth in such laws of Guyana as are relevant to the subject matter hereof shall apply in the interpretation of corresponding terms used in this Agreement.
- 1.11 References to any Party to this Agreement or any other document, instrument or agreement shall include its successors and permitted assigns.
- 1.12 The following Schedules are annexed and form part hereof:

Schedule A	Description of Karouni Property
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Schedule B	Articles of Incorporation of Troy Resources Guyana Inc
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Schedule C

Plan of Project Area

Schedule D

Pre-Approved and Certified Mining Operations items

2. NATURE OF AGREEMENT

- 2.1 This Agreement has been negotiated and entered into by and between the party of the first part and the party of the second part in order to specify the terms and conditions pursuant to which the party of the first part and the party of the second part agree that the Project shall be carried out, mineral rights be granted and Operations conducted. The Parties hereby acknowledge that this Agreement has been negotiated and executed on the advice and with the consent of the most senior representatives of each of the Parties.
- 2.2 This Agreement shall be construed, to the fullest extent required, so as to ensure the validity of each provision hereof and the due and punctual exercise of rights and performance of obligations in accordance with its terms.
- 2.3 To the extent that this Agreement relates to such matters as are described in section 19 of the Mining Act, this Agreement is a "Mineral Agreement" within the meaning of such term in the Mining Act. To the extent necessary or desirable to give full force and effect hereto in accordance with its terms, this Agreement is an agreement between GoG as a sovereign State together with the Commission as a Government entity and the party of the second part.
- 2.4 The Parties hereby affirm their intention that substantive effect be given to this Agreement to the fullest extent possible in accordance with its terms and in accordance with the foregoing rules and that defects in form, procedure or process shall be waived to the fullest extent required in favor of giving substantive effect to the terms hereof.
- 2.5 The Government and the Commission confirm and agree that (a) Troy Resources Limited & Company 1 & Company 2, and the Project shall enjoy all the protections and guarantees established under Applicable Law and (b) neither the Government nor any Government Authority shall cause any act to be done that is contrary to Applicable Law which will intentionally interfere with the rights of the Company or Troy Resources Limited or the Project under this Agreement, Applicable Law, the Mining Licence or the Prospecting Licence.
- 2.6 GoG guarantees that this Agreement and any other agreement or other arrangement entered into with GOG or any Government Authority, the Mining and Prospecting Licences and any and all Authorization relating to the Project shall enjoy absolute legal stability. Any such agreements, other arrangements, licenses or authorization (i) may

not be modified after the Effective date unilaterally by any Act or other actions by any Government Authority of any kind or by changes in the interpretation or application of any Act, and may be modified only by mutual written agreement of the Parties that expressly evidences such modifications.

3. THE COMPANY, REPORTING OBLIGATIONS AND CONFIDENTIALITY

3.1 The Parties hereby acknowledge that Company 1 and Company 2 have been duly incorporated under the Companies Act 1991 as amended, a true copy of Articles being annexed hereto as Schedule "B". The financial year end of Company 1 and Company 2 is currently 31 December.

3.2 Company 1 and/or Company 2 shall have the right to declare and pay dividends pursuant to its Articles during the term of this Agreement. The Parties hereby acknowledge that Company 1 and/or Company 2 may, if it deems appropriate, amend its Articles to allow for the issuance of preference shares of the Company denominated in U.S. Dollars subject to the Company 1 and/or Company 2 obtaining the necessary authorization from the Minister responsible for finance and the Bank of Guyana, if required. Either of Company 1 and/or Company 2 may also amend its Articles to denominate its ordinary shares in US dollars.

3.3 The Party of the second part shall give access to the GoG and the Commission to all data, maps and other information and submit to the Commission such data, maps and other information as shall be reasonably requested by the Commission with respect to the Project in a timely manner. In particular, the Party of the second part shall comply with the following undertakings of this clause 3.3.

3.3.1 During the term of this Agreement, and subject to a Mining Licence having been granted to the Company pursuant to this Agreement, Company 2 shall, within 90 days after the end of each fiscal year, file an annual report on a confidential basis with the Commission and with a copy to the Government (c/o the Minister under the Mining Act) which shall contain such information as is generally required to be set forth in annual reports relating to projects similar in nature to the Project in the North American mining industry. In particular the report shall contain information on the following, subject however, to any limitation imposed by any confidentiality agreements or undertakings to which the Party of the second part may be subject:

3.3.1.1 Complete and accurate production statistics, including information on the cut-off grade, the grade and quality of gold, silver, precious stones and other Valuable Minerals mined; and copies of maps, profiles,

diagrams and geological reports;

- 3.3.1.2 Marketing information, including copies of short and long term contracts, and information on customers, marketing conditions, developments in world market prices and refining conditions;
- 3.3.1.3 Complete and systematic records showing fully and fairly all costs and revenues including income statements, tax payments, duty payments, foreign exchange transactions and budget plans;
- 3.3.1.4 Importing information, including the quantity, source and price paid for items imported with reference to used and new items;
- 3.3.1.5 Information regarding the disposal of equipment, including re-exports;
- 3.3.1.6 Employment information, including a breakdown of the Guyanization of the Project labor force according to the various categories of employees;
- 3.3.1.7 Information on construction completed, in progress and planned;
- 3.3.1.8 Information on the purchase of supplies and services from local and foreign sources, including historical information from the date the Mining Licence is granted together with the information described in clause 6.2 hereof;
- 3.3.1.9 Information regarding environmental management;
- 3.3.1.10 Information regarding current Exploration and Development in the Mining Area;
- 3.3.1.11 Information and statistics regarding occupational health and safety and work-related accidents and injuries; and
- 3.3.1.12 Such other information with respect to the Project as the Government or the Commission may reasonably require.
- 3.3.1.13 Company 2 having been granted a Mining Licence (and including any subsequent Mining Licence) pursuant to this Agreement, shall submit an annual report on transactions with its Affiliates relating directly or indirectly to the Project. This report shall include information on sales, purchasing, subcontracting, transfer of technology, and marketing and all other relevant transactions. The report shall also set forth all remuneration paid by the Company to employees, directors and their families or shareholders of the Company and to the Company and its Affiliates. The remuneration shall cover all remuneration of a direct or

indirect nature including loans or payments in cash or kind and any other like transaction.

- 3.4 The Party of the second part shall maintain its books of account in accordance with generally accepted accounting principles enunciated from time to time by the Canadian Institute of Chartered Accountants and this Agreement shall provide the Company with the requisite authorization to maintain its books in accordance with this Section.
- 3.5 Company 2 shall maintain reasonably detailed records relating to the Project, including production reports, field data, drilling reports, assay reports and other related reports.
- 3.6 The Commission may, at any time, upon 48 hours written notice, at its own expense and with or without the assistance of experts, carry out an inspection of the books of account, records and reports of Company 2 and to verify information received, provided that such inspections shall be conducted during normal business hours and shall not unduly interfere with the efficiency of Operations.
- 3.7 Within 180 days after the end of its financial year, Company 2 shall file with the Commission audited statements of account relating to its Mining Operations during the previous fiscal year. The audit shall be performed by a firm of independent chartered accountants selected by Company 2. If at any time, the Commission has reasonable grounds to question the information supplied by Company 2, it shall be entitled to organize a special audit by an accounting firm of international standing at its own expense. Should this special audit report conclude that the information submitted by Company 2 is substantially incorrect in one or more material particulars, then Company 2 shall bear the expenses of such audit provided however such conclusions of the special audit may be contested by Company 2 under article 17 hereof.
- 3.8 Company 2 shall within 16 days of the end of each calendar month, file with the Commission a production report containing mine run production summaries of Valuable Minerals produced during the preceding month and any environmental results taken during the preceding month.
- 3.9 Company 2 shall, within 45 days of the end of each fiscal quarter, file with the Commission reports of all reasonably available information relating to Mining Operations including raw and processed analytical data, assay data, drill data and other field data and statistical data as well as quarterly returns of production, sales and shipments of minerals from the Mining Area and a statement of minerals in stockpiles held by Company 2.

3.10 Should, at any time, Company 2, as a result of its own gross negligence, submit information in any report mentioned in this clause 3.3 which is substantially incorrect in respect of one or more material items and if, as a result of the submitting of such false information, GoG has foregone revenue which can be quantified in monetary terms, Company 2 shall be liable to pay the Government an amount equal to two times the amount of such foregone revenue. Any sum paid hereunder is a reasonable estimate of the loss suffered by the Government or Commission as the result of the aforementioned acts or omissions of Company 2. Where GoG has foregone revenues for reasons attributable to incorrect information supplied by Company 2 other than as a result of gross negligence on the part of Company 2, the GoG shall be entitled to recover the amount foregone plus interest of two percent (2%) above LIBOR on such amount from the date due until payment thereof. Under other circumstances, Company 2 may be liable to pay damages to GoG resulting directly from a breach by Company 2 of its obligations under the various provisions of this clause 3.3, as determined by the arbitral tribunal in accordance with article 17 or as agreed among Company 2 and GoG.

3.11 The Parties shall be deemed to be joint owners of all information described in clause 3.3. The Parties shall treat all such information as confidential and shall not disclose any such information to third parties during the term of this Agreement and for a period of two years thereafter without the prior written consent of the other Parties, such consent not to be unreasonably withheld. Notwithstanding the foregoing, the provisions of this clause 3.4 shall not apply in the following circumstances:

3.11.1 in the case of a disclosure (i) by Company 2 or its Affiliates to banks or other financial institutions in connection with the financing of the Project or Operations, or (ii) by the Government to multilateral financial and aid organizations such as the World Bank, the International Monetary Fund, the Inter-American Development Bank and the Canadian International Development Agency; or

3.11.2 in the case of a disclosure by any Party to Affiliates, consultants, professional advisors and sub-contractors to the extent required for the purpose of executing the Project or in connection therewith;

3.11.3 to the extent required by any applicable law or the regulations of any securities commission or other like regulatory body having jurisdiction or of any stock exchange upon which the securities of Company 2 or its Affiliates are listed;

3.11.4 as part of statistical and annual reports of a general nature published by the

Government or the Commission, provided that no information so disclosed shall relate to the Project specifically or directly;

3.11.5 in the case of information relating to any portion of the Mining Area which may be relinquished by Company 2 during the term of this Agreement; or

3.11.6 in the case of information which enters the public domain otherwise than by the breach of an obligation of confidentiality hereunder.

Information disclosed to third parties as permitted in clause 3.4 hereof shall be disclosed on such terms as shall require the recipient to undertake to be bound by the obligations of confidentiality described herein. The Parties shall promptly give notice to each other Party of any disclosure made as permitted hereunder.

3.12 Notwithstanding clauses 3.3 and 3.11 hereof, neither Company 2 nor Troy Resources Limited shall be required to disclose the details of any patented or other proprietary method or process by which any results, information or conclusions have been obtained by Company 2.

4. MINING LICENCE, ENVIRONMENTAL AUTHORIZATION AND FORCE MAJEURE

4.1 Consequent on the issue of the Mining Licence, the GoG and the Commission agree and undertake to make the Project Area available to Company 2 for the conduct of Operations, the whole in accordance with the Mining Act and Subsidiary Legislation thereunder.

4.2 The GoG and the Commission having reviewed the ESIA and having approved and accepted same as the basis for the due carrying out of the Project by Company 2 together with the Feasibility Study, the GoG and the Commission hereby undertake to perform all such acts as may be within the purview of their respective powers and authorities to authorize the due implementation of all Exploration, Development and Mining activities as contemplated in the Final Economic Assessment, the ESIA and in this Agreement. Subject to the foregoing, and subject to the provisions of this Agreement and any Schedule, neither the Commission nor GoG shall incur any liability to Company 2 or any Affiliate by reason only of the approval of the Study, including the ESIA. Likewise, nothing in this clause 4.2 shall be interpreted as requiring the GoG or the Commission to invest any Government or Commission funds in the Project or to give indirect financial support to the Project by way of tax reductions, exemptions from laws or otherwise except for the fiscal and other concessions and exemptions herein agreed to be granted.

4.3 The Commission and GoG hereby undertake, in the exercise of powers conferred by

sections 19 and 134 of the Mining Act, to exercise discretionary powers under the Mining Act and Subsidiary Legislation thereunder in accordance with the following provisions.

- 4.3.1 Subject to section 50(2) of the Mining Act, GoG shall approve and the Commission shall grant a renewal of any Mining Licence granted to Company 2 under section 50 of the Mining Act upon receipt of an application therefor by Company 2 pursuant to section 49 of said Act on such terms and subject to such conditions as shall be set forth in the Mining Licence, or with such revised terms and conditions as may be necessary due to changes in circumstances.
- 4.3.2 The Commission shall grant any good faith application by Company 2 under section 48(3) of the Mining Act for the extension of the scope of any Mining Licence to cover such additional minerals as are specified in the application, provided, however, that the Commission may impose additional terms and conditions as applicable under the Mining Act for such additional minerals. GoG hereby agrees and undertakes to see that, during the currency of this Agreement, the Commission shall not grant any rights to explore for, develop, or exploit minerals that are covered by this Agreement to any person other than Company 2 or an Affiliate thereof, in respect of any lands located within the Project Area.
- 4.3.3 The obligations of Company 2 to carry on Operations under the Mining Licence and this Agreement or to perform any other obligations hereunder (except any obligations set forth hereunder relating to the disposal of assets by Company 2) or pursuant to any Exhibit shall be suspended to the extent that such performance is prevented or constrained by the occurrence of an event of Force Majeure (as described below in clause 4.3.4) and shall remain suspended so long as the effects of such event of Force Majeure shall continue, provided that such occurrence shall not be deemed to suspend any obligation to pay a sum of money that is otherwise due and payable, and provided further that Company 2 shall, during any such period, take all reasonable measures within a reasonable time with a view to overcoming or terminating such Force Majeure event and performing its obligations hereunder.
- 4.3.4 For the purpose of this Agreement and as permitted by section 53(1) of the Mining Act, the Parties hereby agree that "Force Majeure" shall include, in addition to any event described in such section, any event or circumstance that is beyond the control of Company 2 or Troy Resources Limited or that is

unforeseeable or unavoidable by Company 2 or Troy Resources Limited or causes the total or partial delay in fulfillment by Company 2 or Troy Resources Limited of the respective obligations of Company 2 or Troy Resources Limited under this Agreement including but not limited to, acts of God (fortuitous events), strikes, lockouts or other industrial disturbances beyond the reasonable control of the Party affected and resulting in work stoppage or interruption, acts of the public enemy, international disputes affecting the Mining Area, wars (declared or undeclared), invasions, blockades, insurrections, riots, epidemics, outbreaks of malaria or other contagious disease of epidemic proportions, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances and explosions, quotas and other controls affecting the parties and their suppliers and any other cause beyond the reasonable control of the Party affected, but shall not include any event caused by a failure to observe good mining industry practice or by the negligence of Company 2 or any of its employees or contractors.

4.3.5 In addition to Company 2's right to suspend Operations hereunder and under the Mining Licence by reason of Force Majeure, Company 2 may, at its own election, acting reasonably and subject to its obligations under clause 4.3.6, after the commencement of development or production operations, suspend all or part of its Operations hereunder during the period of time any condition exists that materially adversely affects the economics of the Operations at any time during the currency of the Mining Licence.

4.3.5.1 Notwithstanding any other provision of this Agreement, Company 2 shall not be required to commence or continue development or production operations, as contemplated in the Final Economic Assessment, pursuant to the Mining Licence unless the earlier of the following dates, namely:

a) such date which shall be 90 days after the 30th consecutive Trading-Day on which the Market Price of gold shall have exceeded US\$700 per ounce, provided that all action specifically identified in this Agreement as required to be taken by Guyana (represented herein by the Government), or the Commission, as applicable shall have been taken by way of Order, Authorisation, permission or otherwise before the first day of the 30 Trading-Day period described above; or

①

b) the 5th anniversary from the date on which all Government action shall have been taken as contemplated in this Agreement. If Company 2 fails to commence development or production operations within the time set forth in this section, the GoG and the Commission shall be entitled to terminate this Agreement as provided herein and the provision of Article 18 hereof shall apply to such termination.

- 4.3.6 If Company 2 decides to suspend its Operations under clauses 4.3.3 or 4.3.5 or 4.3.5.1, it shall promptly notify the Government (c/o Minister with responsibility for mining) and the Commission to that effect, giving the particulars thereof and of its effect on Company 2's ability to perform its obligations hereunder and Company 2 shall take all reasonable steps, if any, in the case of Force Majeure, to remove or remedy the cause and effect of the Force Majeure described in the relevant notice insofar as it is reasonably able to do so and as soon as possible; provided that the terms of settlement of any labour disturbance or dispute, strike or lockout shall be wholly in the discretion of Company 2, and Company 2 shall not be required to accede to the demands of its opponents in any such labour disturbance or dispute, strike or lockout solely to remedy or remove the Force Majeure thereby constituted. Where Company 2 has given notice of suspension of Operations under clauses 4.3.3 or 4.3.5 or 4.3.5.1, it shall promptly notify the Government (c/o Minister with responsibility for mining) and the Commission when such circumstances giving rise to the suspension under clauses 4.3.3 or 4.3.5 or 4.3.5.1 have ceased to be in effect. The Parties shall meet as appropriate to discuss in good faith the consequences of any Force Majeure event and the course of action to be adopted in the circumstances.
- 4.3.7 The suspension of Operations by Company 2 under 4.3.3 or 4.3.5 or 4.3.5.1 hereof shall not have the effect of suspending Company 2's obligation to pay such fees and land rentals as shall be specified in the Mining Licence.
- 4.3.8 The term of this Agreement and of the Mining Licence when granted shall, provided that Company 2 shall have complied with the provisions of clauses 4.3.3 and 4.3.5 hereof, be extended by such period as is equal to the period during which Operations hereunder shall have been suspended by any of the reasons set forth in clauses 4.3.3 or 4.3.5 or 4.3.5.1, and the consent of the Commission as well as the approval of the Minister are hereby granted in respect of such extension. However in the event of a suspension of Operations by Company 2 other than for any of the foregoing reasons, the Commission may, but shall not be required to, extend the term of the Mining

licence accordingly.

4.3.9. GoG shall not cause the Commission to cancel the Mining Licence pursuant to the Mining Act or in connection with the existence of any ground for such cancellation as is described therein. The Commission and GoG agree that issues regarding the cancellation of the Mining licence and this Agreement shall be governed exclusively by this Agreement and, in particular, by the provisions of articles 16 and 17 hereof.

4.3.10 GoG hereby agrees to cause the Minister under the Mining Act to issue an Order under section 134 of such Act exempting Company 2 from the application of such Act to the extent required to give effect to the provisions of this Agreement and the Mining Licence.

5. USE AND ACQUISITION OF LANDS [Surface Rights] WITHIN THE PROJECT AREA

5.1 As of the Effective Date, Company 2 shall have the right (subject to affected parties' right to a fair and reasonable compensation under the Mining Act) to make use of, construct, improve, maintain and acquire, as applicable, the Project Lands for Project Purposes including but not limited to:

(i) the use of public roads and waterways between Georgetown, Linden, St Mary's and Karouni, such use to be enjoyed in accordance with directions from the competent Government Authority.

(ii) the acquisition of property or surface rights thereto, by lease, purchase or otherwise for customs expediting and storage in Georgetown and Linden, materials handling and transportation to Linden as well as those properties needed for river crossings and movement of materials to Karouni (the whole for private use for Project purposes only). The GoG undertakes to facilitate the availability of these or like facilities to Company 2 for the purposes of the Project;

(iii) the construction of a road on state lands between the end of the public use portion of the Amaila Falls Access Road and Karouni.

5.2 In connection with Company 2's rights under clause 5.1, GoG hereby agrees and undertakes to cause the relevant Government Authorities having jurisdiction over the matters described in clause 5.1 hereof to do the following:

5.2.1 grant, on an expedited basis, to Company 2 and its contractors all relevant legal rights to improve and develop rail, port, pipelines and other infrastructures referred to in clause 5.1;

5.2.2 grant, on an expedited basis, to Company 2 and its contractors all relevant legal right to use any and all of the country's routes, either by land, water or air, and to construct required related facilities (including any harbour dock, airstrip, airport, etc.) to access and operate in the Project Area subject to the appropriate laws;

5.2.3 recognising that the Mining Licence and the Final Economic Assessment are based on an oil-powered generation scenario, authorize Company 2 and its contractors to conduct such surveys on the hydropower potential as Company 2 deems appropriate to exercise its rights under the Prospecting Licence and Mining Licence, as applicable, provided that this shall not be construed as a licence to operate a hydropower facility; Company 2 shall cooperate with GoG to ensure that any application for a licence to operate a hydropower facility will not contravene any existing agreements the Government has entered into and shall be consistent and compliant with the framework, policies, practices and commitments/obligations set out in Guyana's Low Carbon Development Strategy (LCDS) and comply with international commitments made by Guyana; including complying with any treaties, agreements, understandings and similar obligations.
and

5.2.4 issue a letter or other instrument under the Public Lands (Private Roads) Act (Laws of Guyana, Chapter 62:03) or any other relevant Applicable Laws granting such authorizations and permissions as may be necessary for such purposes, including the authorization to collect such toll as may be fixed under such permission for the purposes described in clause 5.1.

5.2.5 Nothing set forth in this clause 5.2 shall be interpreted as diminishing the scope of the undertakings given by GoG and the Commission elsewhere in this Agreement, or prohibit or restrict the free access or passage of agents of the GoG and/or their vehicles in the lawful conducting of the business of the GoG.

6. CONDUCT OF PROJECT OPERATIONS

6.1 Company 2 shall conduct Operations in a good workmanlike and responsible manner in accordance with good mining practice using standards applicable in the international gold mining industry.

6.2 In Guyana, Company 2 shall use all reasonable efforts to give preference, to the maximum extent compatible with efficient Operations and good mining practices using standards applicable in the international mining industry, to products and services

produced and offered in Guyana, provided these are offered at competitive terms and conditions. Without prejudice to the rights granted to Company 2 under articles 8, 9 and 10 hereof, Company 2 shall give preference to Guyanese construction enterprises and to the use of buildings which can be constructed by using materials and skills available in Guyana, to the employment of Guyanese subcontractors for road construction and transportation and to the purchase of household products and furniture in Guyana. Company 2 shall also require its contractors and their subcontractors to follow these policies. Within 90 days after the end of each fiscal year of Operations, Company 2 shall, in the manner described in clause 3.3.1 hereof, submit a report to the Government setting forth (i) the relative percentages of foreign-sourced and Guyanese-sourced goods and services used by Company 2, (ii) measures taken to enhance the role of Guyanese-sourced goods and services in the Project and (iii) measures to be implemented so as to improve such performance. The report will show the performance of Company 2 in connection with its contribution to the economic development of Guyana over the years. Company 2 shall constantly use all reasonable efforts to improve such performance.

- 6.3 Company 2 shall, to the extent feasible and acceptable to Company 2 in view of the rates and conditions available and in accordance with good mining practices then in use in the international mining industry, maximize the use of vessels chartered in Guyana and other means of transport available in Guyana. If necessary, Company 2 shall make joint arrangements with Guyanese firms for the transportation of its material needs.
- 6.4 Company 2 shall be allowed to use existing roads, but shall only be obligated to repair (or pay the cost of repair for damages to) roads, bridges and other transportation facilities caused by the abnormal use of such roads, bridges and other facilities by Company 2.
- 6.5 Company 2 shall, subject to clauses 6.8 and 6.9, conduct all Mining Operations in compliance with the Environmental Authorization and Applicable Law relating to the protection of the natural environmental conditions of the Mining Area.
- 6.6 Notwithstanding any other provision of this Agreement, the Government reserves the right without liability to grant to qualified applicants rights-of-way for pipelines, power, telephone, telegraph and waterlines on or in respect of Project Lands provided, however, that Company 2 shall be duly notified of such intentions and that the applicant shall be required to make appropriate arrangements, including compensation for Company 2, to ensure that its installations shall not unduly interfere with or result in any additional cost to the Operations of Company 2.
- 6.7 During Mining Operations and after the permanent shutdown of Mining Operations, Company 2 shall undertake the reclamation of the Mining Area to prevent soil erosion

in accordance with the terms of the ESIA, the EMP and the Environmental Authorization. Company 2 shall also ensure the safety of the area in accordance with standard international mining practice and the terms of the ESIA, the EMP and the Environmental Authorization.

- 6.8 Company 2 having submitted and the GoG having reviewed and accepted and approved via the Commission the ESIA, EMP and WMP, together with all provisions set forth in the Final Economic Assessment relating to environmental matters, Company 2 shall conduct Mining Operations substantially in accordance with the terms of the ESIA, EMP and WMP and shall comply with Applicable Law relating to environmental matters. GoG hereby confirms that substantial compliance with the aforementioned ESIA, EMP, WMP and Final Economic Assessment shall constitute compliance with Applicable Law relating to environmental matters which are in force at the time. GoG hereby agrees to take such Corrective Action (as defined in clause 15.5) as may be necessary to ensure that Company 2 shall not incur any cost, liability or obligation to the other Party and to any Person as a result of any failure to comply with this clause 6.8.
- 6.9 Company 2 shall be entitled to install, maintain and operate, for its own account and without third party intervention, telecommunications facilities and equipment in Guyana for Project purposes, and, if required, the GoG shall issue a licence to Company 2 under the Telecommunications Act 1990 for such purposes and shall cause the relevant Government Authorities to grant such permissions as may be necessary for such purposes.
- 6.10 Company 2 shall be entitled to employ, train and maintain armed security personnel in order to ensure the security of persons and property on Project Lands, including the Mining Area. GoG shall assist Company 2 in
- 6.10.1 the implementation of its security program in accordance with the Regulations of the Guyana Police Force and, in particular, shall facilitate the obtaining of all necessary permits for such purposes under the Firearms Act;
- 6.10.2 ensuring that the Project Lands, including the Mining Area and the Assets, shall not be accessible to the public.
- 6.11 From the commencement of Commercial Production, Company 2 shall be required to implement a Community Relations Program in respect of the nearest Amerindian Community situated at Kaburi Village (Mile 72 Kaburi). This program will aim to improve the liveability and skills of those living in the community by providing support in the areas of health, education, enhanced work and life skills, diet, and community services and infrastructure. As well, it is the intention of Company 2 that, in conjunction with the Commission and the Guyana Forestry Commission, a comprehensive study be

carried out at Mile 72 Kaburi to assess the feasibility of establishing a permanent hardwood seedling nursery with a view to creating a sustainable commercial operation whose products would be used in ongoing rehabilitation required for mined out areas of the Mining Licence.

7. INITIAL FUNDING AND INVESTMENT INTO GUYANA

- 7.1 Company 2 and its Affiliates shall enjoy maximum flexibility in securing and structuring financing, from whatever lawful source and subject to the granting of whatever security interest in the shares in or assets of Company 2, for the purposes of investing in, or causing an investment to be made in, the Project. An outline of the projected financing terms for the Project will be disclosed to the Government and the Commission, and the GoG and the Commission hereby agree to comply with any reasonable request to indicate specific acceptance of, and consent to, any financing structure elaborated in accordance with the Final Economic Assessment.
- 7.2 GoG and the Commission hereby agree that Company 2 shall be entitled to borrow, lend, sell, purchase, hedge and otherwise transact Valuable Minerals, and other like commodities in connection with the financing of its operations or otherwise and to assume any such obligations as may be necessary or incidental thereto.
- 7.3 GoG and the Commission hereby agree that Company 2 shall be entitled to borrow, lend, purchase and hedge petroleum products in connection with the financing of its operations or otherwise and to assume any such obligations as may be necessary or incidental thereto.
- 7.4 Company 2 hereby agrees that the ceiling on the debt to equity ratio of Company 2 as and from the date of grant of the Mining Licence shall be negotiated in good faith and agreed upon between the Government and Company 2, having regard for the Project's financing needs and the availability of such financing. To this end and subsequent to the provision of the Final Economic Assessment, Company 2 shall submit to the GoG a financing plan. The plan shall contain a proposed debt to equity ratio taking account of relevant international financing standards. The Parties shall reach a decision on the matter within 45 days of the submission of the plan. The ceiling may be adjusted by agreement upon the occurrence of a significant change in circumstances. For purposes of calculating such debt to equity ratio, (i) debt shall be defined as interest-bearing debt, and (ii) all shares of Company 2 shall be taken into account in calculating equity.
- 7.5 Company 2 shall be entitled to open and operate in their respective names, with any financial institution outside Guyana, bank accounts and other like credit, deposit or banking arrangements in any unit of currency (including the U.S. Dollar and the

Canadian dollar) ("Foreign Currency Accounts") and to make deposits to and payments from these accounts, in accordance with the provisions hereinafter set forth.

- 7.6 The following may be deposited into Foreign Currency Accounts:
- 7.6.1 funds invested or to be invested in Company 2 in connection with the conduct of its Operations within and without Guyana;
 - 7.6.2 proceeds from the sale of Valuable Minerals by Company 2;
 - 7.6.3 any other gains or revenue; and
 - 7.6.4 any transfer of funds held in Guyana from time to time and not immediately required by Company 2 in Guyana for the conduct of its Operations.
- 7.7 Withdrawals and payments which may be made from Foreign Currency Accounts shall include:
- 7.7.1 transfers of funds to meet expenses incurred by or on behalf of Company 2 in the conduct of its Operations, including any funds required to be converted into Guyana Dollars to meet expenses incurred in Guyana;
 - 7.7.2 the payment of fees and taxes payable under the laws of Guyana;
 - 7.7.3 the payment of interest on any funds borrowed by or on behalf of Company 2;
 - 7.7.4 the distribution of dividends and after-tax profits to investors; and
 - 7.7.5 the repatriation of capital, asset replacement costs, loan payments and prepayments, and any other obligation reasonably incurred by or on behalf of Company 2 outside Guyana.
- 7.8 Company 2 shall be entitled to purchase Guyana Dollars from any authorized dealer (or, if no such dealer is authorized, able and willing to sell Guyana Dollars at the market rate of exchange, then from the Bank of Guyana) at any time and from time to time in amounts sufficient to meet all expenses incurred by or on behalf of Company 2 in Guyana, including local operating expenses and fees payable to the Government (including corporate income taxes which taxes shall be paid as and when owing in Guyana Dollars) and local working capital requirements. Guyana Dollars shall, subject to 7.8 hereof, be purchased using U.S. Dollars or such internationally tradeable currency as the Parties may mutually agree and the conversion rate applicable for such transactions shall be the market rate then available for the conversion of U.S. Dollars or such internationally tradeable currency as the Parties may mutually agree, as the case may be, into Guyana Dollars. GoG hereby agrees to take such Corrective Action (as defined in clause 15.5 hereof) as may be necessary to ensure that any Unilateral Action (as defined in clause 15.5 hereof) shall not have the effect of preventing Company 2

and its Affiliates from converting U.S. Dollars into Guyana Dollars at a rate of exchange that accurately reflects the relative international market values of such currencies.

- 7.9 GoG hereby undertakes to cause Company 2 to receive all such specific authorizations and exemptions from competent authorities having jurisdiction over the matters described in this article 7 as are necessary or desirable to give effect to the matters described in this article 7.

8. IMPORTING GOODS INTO GUYANA

- 8.1 From and after the Effective Date, in conducting Operations, Company 2, acting for its own or through its parent company, Troy Resources Limited for Project purposes, shall be entitled to import or purchase locally in Guyana, free of customs duties, Value Added Tax and Excise Tax, all equipment, supplies (other than foodstuff and beverages) and materials required for the Project for a period of ten (10) years. For greater certainty, Company 2 or of any local or foreign contractor retained for Project purposes, shall not be required to pay any licences, fees, duties or other charges relating to the importing or local purchase in Guyana of any equipment or supplies to be used for Project Purposes within Region 7 of Guyana. For greater clarity, if any vehicle, equipment or material is however removed from Region 7 and is not used for the purposes of the Project, the owner of such vehicle, equipment or material shall be liable to pay applicable duties and taxes.
- 8.2 GoG shall cause the proper public officers having jurisdiction to provide customs clearance facilities and personnel ("Customs Personnel") for the exclusive benefit of Company 2 and its Affiliates in connection with the Project at a location to be designated by Company 2 within the Project Area. Company 2 shall defray all reasonable expenses incurred by the Government in connection with the providing of such Customs Personnel.
- 8.3 GoG acknowledges that for Company 2 to effectively conduct its business, it is required to import on an expedited basis a significant amount of goods. GoG undertakes to ensure that Company 2's goods will be treated on an expedited basis by Customs Personnel in accordance with customs clearance procedures including but not limited to the following:
- 8.3.1 inspecting the imported items and verifying same against an inventory listing thereof;
 - 8.3.2 verifying that the imported items are to be used exclusively for Project purposes;

- 8.3.3 satisfying compliance with the import provisions of this Agreement and with any applicable provisions of the Customs Act;
 - 8.3.4 assessing and collecting customs duties on imported food and household products, if any;
 - 8.3.5 conducting customs clearance procedures for Expatriates; and
 - 8.3.6 verifying and inspecting, subject to clause 12. 2 hereof, exports of gold or Concentrates and re-exports of imported items.
- 8.4 In the event of a sale within five (5) years following purchase of goods locally or importation of any imported goods within Guyana by Company 2 to a Person other than the GoG or any of the Governmental Authorities hereunder, Company 2 shall be liable to pay customs and import duties and taxes on any equipment and supplies brought into Guyana or purchased in Guyana under an exemption provided by this Agreement. The Customs and import duties payable shall be calculated on the appraised value of such equipment and supplies at the time of sale. No customs or import duties shall be payable in respect of imported goods sold after five (5) years following purchase locally or importation of imports or following enforcement of any security by a finance provider.
- 8.5 Company 2 shall be entitled to re-export any property imported into Guyana pursuant to this article 8 on the same terms and with the same privileges and exemptions as are set forth in clause 12.1 hereof but subject, in the case of a sale upon termination of this Agreement, to the provisions of article 18 of this Agreement.

9. DUTIES, TAXATION, FEES, RENTS

- 9.1 From and after the Effective Date, for a period of ten (10) years, Company 2 shall not be liable to pay duties or import fees on supplies imported directly by Company 2 that are acquired for the Project's purposes.
- 9.2 Company 2 shall pay a partial Excise Tax of 10% on fuel (diesel, gasoline, lubricants and other oils) from the first date of commencement of production by Company 2, subject to a maximum cap of US 10 cents per litre.
- 9.3 The Applicable Gold Royalty for open pit gold recovered shall be determined in accordance with the following:

Sale Price of Gold or Gold Contained in a Concentrate	Percentage of Royalty
Sales price up to \$1,000 USD per troy	5.0%

ounce	
Sales price from \$1,000.01 and up per troy ounce	8.0%

9.3.1 The Applicable Royalty for any Valuable Mineral other than gold shall be 1.5% on the actual proceeds received by Company 2 from any smelter, refinery or any other arms-length third party purchaser from the sale of Concentrates, metals, diamonds or any other mineral or metal products produced from the Property.

9.4. The Applicable Royalty shall be paid in kind by Company 2 to the GoG unless otherwise agreed in accordance with clause 9.4.1. The percentage of the Applicable Royalty shall be applied to the quantity of gold and other Valuable Minerals that Company 2 is actually paid for in settlement with the smelter, refinery or other arms-length third party purchaser. Company 2 shall cause to remain uncommitted for future delivery such amount of gold or other Valuable Minerals as shall be sufficient to permit Company 2 to meet its obligations to the GoG as described in this clause 9.4. In the calculation of taxable income, Company 2 and its Affiliates shall be entitled to deduct the value of all gold and other Valuable Minerals paid to the GoG in-kind as an expense in an amount equal to the Market Price of Valuable Minerals as of the trading day the gold and other Valuable Minerals are delivered to GoG.

9.4.1 Upon the mutual agreement of GoG and Company 2 to change the method of payment of the Applicable Royalty pursuant to clause 9.4 from an in-kind payment to a payment in cash, Company 2 shall pay the Applicable Royalty on the actual proceeds received by Company 2 from any hedging agreements, mint, smelter, refinery or any other arms-length third party purchaser from the sale of Concentrates, ore, metals (including bullion) or any other mineral or metal products produced from the Property. In the calculation of taxable income, Company 2 and its Affiliates shall be entitled to deduct the royalty paid in that year as an expense.

9.4.2 In respect of underground gold produced at Karouni, if upon completion the updated definitive Final Economic Assessment in respect of underground mining at Karouni demonstrates that the Additional Royalty (of 3%) will serve as a disincentive to production, the Government may consider reducing the Additional Royalty. In this clause, "underground gold" means gold production only accessible by an underground ramp or shaft for which the Mining Licence makes special provision.

It is agreed that the following rates for royalty payments will be applicable for underground gold:

1. A royalty rate of 3% when the price of gold is between USD\$750.00 to USD\$1,000.00

2. A royalty rate of 2% when the price of gold is between USD\$500.00 to USD\$749.00

9.5 Should the GoG enact a written law (including Subsidiary Legislation) or enter into any Mineral Agreement or take any governmental action prescribing a lower rate of fees or royalties than that set forth in this Agreement, the obligation to pay fees and royalties under this Agreement shall be reduced to such rate as is so prescribed.

9.6 Upon granting of the Mining Licence, Company 2 shall, in the manner and on the terms set forth in the Mining Licence, pay rent annually and in advance to the Commission in an amount in Guyana Dollars equal to U.S. \$5.00 per acre for each acre of land included in the Mining Licence. Should GoG enact a written law (including Subsidiary Legislation) of general application prescribing a lower rent than that set forth herein and in the Mining Licence, the obligation to pay rent shall be reduced to such rent as is so prescribed.

9.7 Expatriate Employees, including employees of Company 2 and its foreign contractors, shall be entitled to repatriate their earnings subject to having paid all relevant income tax in Guyana.

Where an Expatriate Employee is liable to pay income tax in Guyana on income earned in Guyana, he shall pay such income tax at the rate of tax prevailing for individuals under the Income Tax Act.

9.8 Company 2 shall pay income and corporation tax pursuant to the Income Tax Act and the Corporation Tax Act (collectively, the "Applied Tax Laws"), in accordance with the rules set forth in such Applied Tax Laws generally, but subject to the specific qualifications hereinafter set forth and provided that the corporate tax payable shall be the lesser of (i) 30% and (ii) the prevailing rate in Guyana from time to time during this Agreement's term.

9.9 The amount of income tax payable under the Applied Tax Laws as qualified by clause 9.8 hereof shall be calculated in accordance with the rules set forth in the Applied Tax Laws as they apply as of the Effective Date. However, should any subsequent amendment to the Applied Tax Laws or any Mineral Agreement or any governmental action result in the enactment of any rule or rules regarding the calculation of taxes payable which are more favorable to the taxpayer than that which is or those which are in effect as of the Effective Date, the taxpayer shall be entitled to invoke such amended rule or rules for the purposes of calculating its tax liability hereunder.

9.10 Notwithstanding clause 9.9 hereof, Company 2 shall be entitled to apply the following rules in calculating its taxable income to the extent, if any, that such rules are in keeping with the rules set forth in the Applied Tax Laws.

- 9.10.1 Company 2 shall have the right to amortize:
- (a) its expenditure on mill, crusher and shaft at a maximum rate of 20% per year as of the Commencement of Commercial Production;
 - (b) its expenditure on mobile equipment and other surface expenditures at the applicable rate from the date of active service;
 - (c) exploration expenditures incurred to date and subsequently by Troy Resources Limited or Company 2 will be treated in accordance with the Applicable Tax Laws.
 - (d) the full amount of any not previously amortized asset write-downs, as a consequence of a decision based on economic grounds to not proceed with underground mining or to cease operations for any reason prior to a date which is five (5) years after the date of the commencement of commercial production.
- 9.10.2 Subject to sub-clause 9.10.1, in respect of capital expenditures, Company 2 shall have the right to depreciate annually twenty percent (20%) of the amount of such expenditures until they are completely written off. It is understood that Company 2 shall prove the cost of each item imported.
- 9.10.3 In respect of Mine Development expenditures, Company 2 shall have the right to deduct the full amount of expenditures incurred on stripping and all other pre-production work, other than expenditures on shafts, main tunnels or underground haulage ways; in the year such expenses are incurred.
- 9.10.4 For the purposes of this Agreement, "losses" in any year means the excess of all deductions permitted under this Agreement and the Applied Tax Laws over revenues in any year of assessment. Losses for any period may be carried forward and set off against chargeable income in the year or years following the year in which such Loss was incurred until it is completely recovered.
- 9.10.5 Financial costs and interest on loans or advances contracted by Company 2 for its business needs from credit institutions shall be deductible for income tax purposes without limitation. Interest on shareholder loans shall be deductible provided the loan reflects international financial market rates.
- 9.10.6 Foreign head office expenses, within the meaning of section 2 and of the last paragraph of section 18 of the Income Tax Act, shall be deductible for income tax purposes in an amount equal to 1% of the total sales or gross

income generated in any year from Mining Operations. It is recognized that insurance will be maintained for the structures in the Project area and that these will require an international syndicate to source sufficient coverage. These direct third party costs will be fully deductible in the annual determination of income.

- 9.11 Company 2 shall maintain its books of account for tax reporting purposes in Guyana Dollars and shall, subject to the provisions of this clause 9.11, file its income tax returns in accordance with such books of account (the "Official Books"). Company 2 may also maintain books of account in U.S. Dollars (the "U.S. Dollar Books") and any such books shall be made accessible to the Guyana Revenue Authority for audit purposes. Company 2 shall be entitled to revalue each Financial Statement Line Item (as defined below) as presented in its Official Books on a continual basis so that the value of such Financial Statement Line Items in the Official Books remains equal to the value of such Financial Statement Line Items in the U.S. Dollar Books. "Financial Statement Line Items" shall, for these purposes, include any line item which may be presented in a balance sheet, an income statement or a statement of changes in cash resources prepared in accordance with generally accepted accounting principles in Australia.
- 9.12 For purposes of calculating revenues received by Company 2 in any taxation year:
- 9.12.1 revenues received from the sale of Valuable Minerals through forward sales contracts or like transactions (such sales or transactions to be priced at "arms length") shall be calculated on the basis of the actual price realized in connection with such contract or transaction and not on the basis of the Market Price of The Valuable Minerals prevailing at the time of delivery of the Valuable Minerals pursuant to such contract or transaction; and
- 9.12.2 revenues derived from the delivery of the Valuable Minerals in repayment of loan obligations previously incurred by Company 2 shall be treated according to the applicable Tax Laws at the time of such repayment.
- 9.13 Notwithstanding section 49(8) of the Income Tax Act or any other provision of such Act or of any other law of Guyana, GoG hereby confirms that due consideration will be given by the Commissioner General, pursuant to section 49(10) of such Act, that gains or profits of any Person other than Company 2, including (i) income, gains or profits of Troy Resources Limited, (ii) income, gains or profits of any Affiliate of Company 2 (other than a subsidiary of Company 2), and (iii) income, gains or profits of any Person other than Company 2 earned or derived outside Guyana, shall not be taken into account in calculating the tax liability of Company 2 under the laws of Guyana.

9.14 Company 2 shall, subject to clause 9.17 hereof, be liable to pay capital-gains tax in accordance with the provisions of the Capital Gains Tax Act, with the specific exclusion that no capital gains tax shall be levied on any transfers of controlling interests in mineral tenements between existing registered title holders and/or Company 1 and Company 2, as may be approved from time to time by GGMC.

9.15 GoG hereby exempts Company 2 from the application of the following Acts (including Subsidiary Legislation) relating to taxation (collectively, the "Exempted Tax Laws"):

9.15.1 the Income Tax (In Aid of Industry) Act

9.15.2 the Property Tax Act; and

9.15.3 the Industries Aid and Encouragement Act

GoG hereby represents and warrants that no Applicable Law of Guyana presently in force would, by its terms, have the effect of imposing a direct tax on Company 2's foreign shareholders or any of its non-Guyanese Affiliates (a) by reason of it being a Party to this Agreement or a shareholder of Company 2, or (b) the beneficiary of an exemption under any Schedule, or (c) in connection with any matter contemplated in the Agreement. For greater certainty, neither Troy Resources Limited nor any Affiliate of Troy Resources Limited shall be deemed or considered to be conducting business in Guyana by reason only of serving and carrying out its functions as shareholder of Company 2.

To the extent that any such law would, by its terms, apply to a Foreign Party or any of its non-Guyanese Affiliates, GoG agrees to take such Corrective Action (as defined in clause 15.5 hereof) as may be necessary to offset any Negative Effects (as defined in clause 15.5 hereof) resulting from such application.

GoG hereby covenants and undertakes that, in the event of the imposition of any new or additional tax or other like charge, through the enactment of any new law or the enactment of any amendment to an Applied Tax Law or to the Capital Gains Tax Act or otherwise, which imposition or change in rules for calculating same would result in an increase in the amount of taxes payable by Company 2, GoG shall relieve Company 2 from the obligation to make such increased payment, and such relief shall be in an amount equal to the amount of the increased payment that would otherwise be required to be paid pursuant to such new or additional tax or other like charge.

9.16 GoG hereby undertakes to cause the Party of the Second Part to receive all such specific authorizations and exemptions from competent authorities having jurisdiction over the matters described in this article 9 as are necessary or desirable to give effect to the matters described in this article 9, including the Minister of Finance exempting Company

2 from the application of (i) the Exempted Tax Laws in full, and (ii) the Applied Tax Laws to the fullest extent required to give effect to the provisions of this article 9; a regulation by the Minister under the Property Tax Act pursuant to sections 10(a) (iv) and 16 of such Act excluding any investment in Company 2 made by a Foreign Party or any non-Guyanese Affiliate thereof or other foreign Person from the application of such Act in the manner contemplated in such sections.

- 9.17 Should a dispute arise in connection with any matter referred to in this article 9 or in connection with the application of any provision of any Applied Tax Law to Company 2 or any taxpayer referred to in this article 9, the taxpayer or taxpayers affected thereby shall be entitled to appeal to the respective governing authority. The taxpayer shall be entitled, but not required, to exhaust any statutory or administrative rights of appeal under the Applicable Laws of Guyana with entities such as VAT Board of Review, Income Tax Board of Review, Customs Board of Review and the High Court of Guyana. Prior to going to arbitration, Company 2 shall pay any taxes not in dispute.

10. IMMIGRATION AND EXPATRIATE PERSONNEL

- 10.1 On the terms and subject to the conditions hereinafter set forth in this article 10 and in the next following article 11, Company 2, its Affiliates and their foreign contractors shall be entitled to employ such persons who are not citizens of Guyana, to work in Guyana for Project and related purposes ("Expatriate Personnel" or "Expatriate Employees") and permit such Expatriate Personnel and their dependents, as defined in the Immigration Act (collectively "Expatriates") to immigrate to Guyana for such periods as such Private Parties and such contractors shall determine.
- 10.2 Company 2 shall comply with the terms of the Immigration Act with respect to the employment of Expatriate Employees and the entry into Guyana of Expatriates. GoG shall perform all such acts within its powers and shall cause all such other acts to be performed which may be necessary or desirable to facilitate the employment and entry of Expatriates as contemplated in this article 10 and the processing of applications for visas and work permits.
- 10.3 Company 2 and its Affiliates will as far as practicable ensure that Expatriates comply with all applicable laws and regulations in Guyana, that they respect the national heritage and customs and that they do not engage in any activities contravening national laws and policies. It is also understood that contractual provisions allowing for the dismissal of contractors or employees for violation of these laws and regulations will be deemed sufficient to meet Company 2's and its Affiliate's obligations pursuant to this clause, without prejudice to the criminal and civil liability of such employees or consultants and without prejudice to the provisions of clauses 15.3.1 and 15.3.2 hereof.

Company 2 undertakes to provide a copy of its standard employment contract to the Commission.

- 10.4 Expatriates shall be subject to such rules regarding personal income taxation as are set forth in article 9 hereof.

11. LABOUR MATTERS

- 11.1 Company 2 shall, in accordance with the provisions of this article 11, give preference to the employment of citizens of Guyana at all levels of Operations to the extent and only provided that such persons are available, qualified and equally suitable for such employment.
- 11.2 The selection and hiring of personnel for Project Purposes shall be within the absolute and exclusive purview of Company 2. Where established, Company 2 shall consult with the local employment agency or such other organizations with a view to determining the availability of qualified and suitable citizens of Guyana for employment in the Project but shall not be bound by any recommendations of said Agency.
- 11.3 As soon as practicable following the issuance of the Mining Licence, Company 2 shall prepare a detailed training program for Project Purposes with a view to ensuring the development of suitable and qualified Guyanese personnel at all levels of its operations. The training program may include training in such skills as production, maintenance, finance, personnel management, and international marketing and may be effected through training courses, on-the-job training, scholarships and, if necessary, training at premises and operations maintained by Company 2 or its Affiliates outside Guyana, provided that Company 2 shall collaborate with the Commission and the GoG as far as practicable to see that all citizens of Guyana trained overseas pursuant to the training program return to work in Guyana. Company 2 shall enlist the participation and cooperation of the Commission, the University of Guyana, the GoG, the Government Technical Institute and the Guyana Mining School and Training Centre Inc. in preparing and implementing the Training Program.
- 11.4 Notwithstanding any other provision of this Agreement, Company 2 shall be entitled to employ such mix of Expatriate Personnel and Guyanese personnel as is contemplated in the Final Economic Assessment.
- 11.5 Company 2 shall, within 90 days after the expiry of each calendar year, file with the Commission a report, in the manner described in paragraph 3.3.1.6 hereof, indicating progress achieved in the employment of citizens of Guyana for the Project's purposes, including, if the objectives described in 11.3 hereof are not met, a description of

positions not filled by citizens of Guyana, a description of the procedures employed for seeking out available, suitable and qualified citizens of Guyana to fill such positions and an assessment of the success or progress achieved by the training program with a view to filling such positions. The assessment of the success or progress achieved by the training program with a view to filling such positions shall be subject to review on an annual basis by a tripartite committee comprising the Commission, a representative of Company 2 and the Ministry of Labour.

11.6 Personnel relations between Company 2 and its employees in Guyana shall be subject to existing written laws of Guyana relating to labor relations.

12. EXPORTING GOLD, VALUABLE MINERALS AND OTHER PROPERTY FROM GUYANA

12.1 Company 2 shall be entitled to export from Guyana and deposit (at the Royal Canadian Mint, in Ottawa, Canada, or any reputable offshore refinery elsewhere), lease, sell, assign or otherwise transfer outside Guyana, Valuable Minerals produced from the Mining Area without restriction of any kind and shall be exempted from the obligation to pay any fees, imposts, duties, taxes, administrative and other charges and any other like assessments of any nature whatsoever in connection therewith.

12.2 Customs Personnel shall be entitled to inspect any exports made pursuant to clause 12.1 hereof and any re-exports made pursuant to clause 8.6 hereof and the terms of any such sale, assignment or other transfer outside Guyana, provided that such inspection shall be conducted with the utmost dispatch and shall, in no event, delay the shipment of such property to destinations outside Guyana when such property is otherwise ready for shipment. Company 2 shall give reasonable notice of any such impending shipment to Customs Personnel having responsibility for the conduct of such inspection. Customs Personnel assigned to the Project Area shall be vested with all requisite power and authority to conduct such inspection in the case of a shipment originating from such locations.

12.3 If a final refining facility for Valuable Minerals comes into operation in Guyana, is cost-competitive and produces refined metals constituting international purity standards for delivery on world metal markets, Company 2 shall give all due consideration to making use of such facility for Project Purposes.

12.4 GoG hereby undertakes within applicable law to cause the Party of the Second Part to receive all such specific authorizations and exemptions from authorities having jurisdiction over the matters described in this article 12 as are necessary to give effect to the matters described in this article 12.

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UPPER BRICKDAM, GEORGETOWN

13. REPATRIATION OF CAPITAL AND PROFITS FROM GUYANA

- 13.1 Company 2 shall be entitled to remit all payments, including all capital invested, interest due or accrued, and profits earned in Guyana by way of dividends declared from time to time by Company 2 and its successors, to Corporations outside Guyana without restriction of any kind (subject to GoG's entitlement to receive payments due to GoG in accordance with this Agreement) and shall be exempted from the effects of any such restriction as may be in effect from time to time under the Applicable Law of Guyana and from the obligation to pay any fees, imposts, duties, taxes, administrative and other charges and any other like assessments of any nature whatsoever in connection therewith. For greater certainty, Company 2 shall be entitled to remit all such payments from Foreign Currency Accounts in the manner provided in clause 7.6 hereof without payment of any fees, imposts, withholding tax, duties administrative charges or any like assessment of any nature.
- 13.2 GoG and the Commission hereby represent and warrant that Company 2 and its Affiliates will receive all such specific authorizations and orders from the competent Governmental officials, or agencies having jurisdiction over the subject matter described in clause 13.1 as are necessary to give effect to the matters described in clause 13.1 hereof.

14. INSURANCE MATTERS

- 14.1 Company 2 intends to subscribe for and maintain at all times during Operations, insurance coverage of the Operations, provided such coverage is available at competitive and reasonable rates from insurers of recognized standing.
- 14.2 Payments from insurance policies, if applicable, for loss or damage to the Assets shall be applied entirely to repair or build the damaged Assets for which such insurance payments will have been made. The cost of maintaining such insurance, wherever sourced is deductible for income tax purposes within Guyana.
- 14.3 Copies of all insurance policies shall be kept at Company 2's registered office in Guyana.

15. REPRESENTATIONS, WARRANTIES, COVENANTS AND UNDERTAKINGS

- 15.1 Company 2 represents and warrants to the GoG and the Commission as follows:
- 15.1.1 that it is a body corporate duly organized and validly in existence and has the corporate power and authority to own its property and conduct its business as presently conducted by it;

- 15.1.2 that it has the capacity to enter into and perform this Agreement and all transactions contemplated herein, that all corporate and other action required to be taken in order to permit it to enter into and perform this Agreement has been properly and validly taken;
- 15.1.3 that it shall not breach any other agreement or arrangement by entering into or performing its obligations under this Agreement; nor, in so doing, shall it breach any provisions of its constating documents, by-laws or administrative resolutions;
- 15.1.4 that this Agreement has been duly executed and delivered by it and is valid, binding and enforceable against it in accordance with its terms;
- 15.1.5 that, to the best of its knowledge and belief, and that of its directors and officers, after due enquiry, there exists no material fact or circumstance applicable to this Agreement or the Project which has not been previously disclosed to the Government or the Commission, as applicable, and which should be disclosed to prevent the representations made in this Agreement from being materially misleading.
- 15.1.6 there is no judgment, decree, injunction, ruling or order of any court, governmental department, commission, agency, instrumentality or arbitrator and no claim, suit, action, litigation, arbitration or governmental proceeding in progress, pending or threatened, which prevents or which seeks to prevent GoG or the Commission from entering into this Agreement.
- 15.2 Company 2 hereby covenants and undertakes as follows:
- 15.2.1 that it shall, subject to article 17 hereof, assume liability for any damages caused by its servants and agents in violating its obligations under this Agreement;
- 15.2.2 that it shall hold the GoG and the Commission harmless from all suits for injury or claims for damages to persons or property resulting from or in connection with the conduct of its Operations hereunder.
- 15.3 GoG and the Commission hereby represent and warrant to Company 2 and Troy Resources Limited as follows:
- 15.3.1 that each of the Commission, in its capacity as a body corporate under the GGMC Act and GoG, in its capacity as a sovereign State, has the capacity to enter into and perform this Agreement;
- 15.3.2 that this Agreement, when duly executed and delivered by the Commission

and by GoG will be valid, binding and enforceable against each of the Commission and GoG in accordance with its terms;

15.3.3 that they shall not breach any other agreement or arrangement by entering into or performing this Agreement;

15.3.4 there is no judgment, decrees, injunction, ruling or order of any court, governmental department, commission, agency, instrumentality or arbitrator and no claim, suit, action, litigation, arbitration or governmental proceeding in progress, pending or threatened, which prevents or which seeks to prevent GoG or the Commission from entering into this Agreement; and

15.3.5 The Commission has full authority, with the Minister's approval, to issue, grant and convey unto Company 2, the Mining Licence and the Prospecting Licence as set forth herein, free and clear of all Liens, and Company 2 shall acquire good, exclusive, legal and beneficial rights and interest thereto, in accordance with the specific terms of such Licences.

15.4 GoG hereby undertakes that it shall take all such steps which are necessary for the implementation of this Agreement, including granting the Mining Licence, passing the necessary or appropriate Acts (including Subsidiary Legislation) and issuing the necessary or appropriate authorizations to provide for the adaptation and modification of Applicable Laws which may affect the implementation of this Agreement, and to allow Company 2 and its Affiliates to continue to carry out their obligations and to receive the benefits accorded to them under this Agreement.

15.5 Without limiting the application of clauses 15.6 and 15.7 hereof and without prejudice to any other undertaking of GoG set forth in this Agreement, if, at any time during the term of this Agreement, GoG enacts or adopts any new law or policy or amends or repeals any existing Applicable Law or policy (collectively, "Unilateral Action"), and if such Unilateral Action has the effect (the proof whereof shall lie with the Party asserting such effect) of preventing or constraining the exercise of any right or of materially increasing the burden of performance of any obligation (including any increase in an obligation to pay a sum of money) of Company 2 or its Affiliates hereunder (a "Negative Effect"), GoG agrees to take such measures as may be required to restore Company 2 and its Affiliates to the position they would have retained had such Unilateral Action not been taken ("Corrective Action"). Such Corrective Action may take any or all of the following forms: (i) an exemption from the application of the law or policy that is the direct or indirect subject of the Unilateral Action or the direct or indirect cause of the Negative Effect (ii) an undertaking to remit additional sums of money to Company 2 or

its Affiliates as a result of such Unilateral Action, (iii) the enactment of specific legislation (including Subsidiary Legislation) eliminating the Negative Effect or, (iv) any other form acceptable to Company 2, its Affiliates and GoG. For greater certainty:

15.5.1 GoG agrees to take Corrective Action to eliminate the Negative Effects of any Unilateral Action on or in respect of the Articles or the Mining Licence; and

15.5.2 GoG agrees to take Corrective Action to eliminate the Negative Effects of any Unilateral Action taken on or in respect of any of the matters described in articles 6 to 13 hereof inclusively.

Notwithstanding the foregoing, nothing set forth in this Agreement shall be interpreted as preventing GoG from taking Unilateral Action regarding matters of employee health and safety and of reasonably applying such Unilateral Action to the parties hereunder.

15.6 Notwithstanding any provision of this Agreement, GoG shall not, whether by Unilateral Action or otherwise, unilaterally amend or terminate this Agreement or any Schedule otherwise than in accordance with the express terms hereof or thereof.

15.7 With respect to the property, rights and interests of Company 2 and its Affiliates arising out of this Agreement or any Schedule or in any way connected with the Project, GoG agrees (i) to ensure within Guyana the fair and equitable treatment of such property, rights and interests, (ii) in no way to impair or interfere with the management, maintenance, use, enjoyment or disposal (except as expressly provided herein) of such property, rights and interests, and (iii) to take no action to expropriate or nationalize any property, rights or interests, whether characterized as expropriation or nationalization or otherwise, or to directly or indirectly deprive Company 2 or its Affiliates of such property, rights or interests in a manner that would be contrary to the Applicable Law.

15.8 The representations, warranties, covenants and undertakings set forth in this article 15 shall remain in effect throughout the term of this Agreement and shall be in addition to, and not in substitution for, any other representations, warranties, covenants and undertakings set forth in this Agreement.

16. **DEFAULTS AND REMEDIES**

16.1 Should GoG or the Commission default in the performance of any of its obligations hereunder, Company 2, or parties aggrieved by such default shall give reasonable notice to the defaulting party specifying the nature of the default and indicating Corrective Action to be taken to cure such default. If Corrective Action is not substantially completed within the notice period (where, unless otherwise specified in

the notice, shall be a period of 30 days), the aggrieved party or parties shall be entitled to institute proceedings in accordance with article 17 hereof.

16.2 Company 2 shall be deemed to be in default hereunder if:

- 16.2.1** it takes advantage of any bankruptcy or other Applicable Law for the protection of debtors from their creditors or voluntarily goes into liquidation;
- 16.2.2** proceedings in bankruptcy or under any law having similar effect are taken against it in good faith and such proceedings are not dismissed or contested in good faith within 60 days thereof;
- 16.2.3** Company 2 fails to complete a payment due to the Commission or the Government hereunder and (i) such payment is not completed within 60 days from the date of receipt by Company 2 of a notice of such failure to pay from the Commission or the GoG, as applicable or (ii) Company 2 having failed to pay has not contested in good faith the allegations set forth in such notice in the manner set forth in article 17 hereof within the aforesaid delay;
- 16.2.4** Company 2 fails to perform any other material obligation assumed by such Party hereunder and (i) fails to complete such performance within 90 days of the date of receipt by Company 2 of a notice of such failure to perform from the Commission or the GoG, as applicable (provided that performance hereunder within the aforesaid 90-day period of an obligation required to be performed within a specific delay in this Agreement shall be deemed to constitute a valid completion of performance relieving Company 2 of its default hereunder) or (ii) the Party having failed to perform has not contested in good faith the allegations set forth in such notice in the manner set forth in article 17 hereof within the aforesaid delay period; or
- 16.2.5** Company 2 is convicted of an offence under the Mining Act which constitutes a wilful departure from one or more of the substantive undertakings set forth in the Final Economic Assessment and the ESIA after having been convicted of two previous like offenses under the Mining Act; "convictions" for the purposes of this 16.2.6 shall include any out-of-court settlement pursuant to section 131 of the Mining Act.
- 16.2.6** Company 2 fails to commence Development Operations within the time limits set out in the Final Economic Assessment, subject to the occurrence of a Force Majeure event or agreement with the Commission on behalf of the GoG.

16.3 The GoG may, subject to 16.4 hereof, terminate this Agreement and the Mining Licence

in the event of a default under any provision of clause 16.2 hereof by written notice to Company 2.

- 16.4 Notwithstanding any occurrence of an event entitling the GoG to terminate this Agreement, if Company 2 or its Affiliates has instituted proceedings in accordance with article 17 hereof, the GoG shall not terminate or purport to terminate this Agreement, the Mining Licence or any other Schedule, and Company 2 or its Affiliates, as the case may be, shall be entitled to continue Operations hereunder until the proceedings described in article 17 shall have been completed.
- 16.5 For the purposes of this article 16, a Party shall be deemed to have "instituted proceedings" or "contested" hereunder if it serves notice to the other Party or Parties to the dispute under clause 17.3 hereof and continues to avail itself of the dispute resolution provisions set forth in article 17 hereof with reasonable diligence thereafter. If Company 2 or its Affiliates has instituted proceedings under clause 17.3 hereof in connection with an allegation by the GoG of a default after proceedings under clause 17.2 hereof have been completed, the GoG may, if it wishes to sustain its allegations, institute arbitration proceedings under clause 17.4 hereof.
- 16.6 If the GoG succeeds in proving a default by Company 2 hereunder to the satisfaction of an arbitral tribunal constituted under clause 17.4 hereof, it shall be entitled to such compensation in the form of damages as the tribunal shall think fit to award in accordance with the evidence presented and the provisions of the Applicable Law. However, neither the Commission nor the Government (on behalf of Guyana or otherwise) shall be entitled to seek a termination of the Mining Licence or this Agreement unless Company 2 expressly consents to such termination or is adjudged by the arbitral tribunal to have committed a fundamental breach of this Agreement, the Mining Licence or the ESIA.
- 16.7 Notwithstanding the occurrence of any event set forth in clause 16.2 giving rise to a right of the Commission or the GoG to terminate this Agreement in accordance with clause 18.2, in the event that Company 2 has entered into any financing for the Project, GoG and the Commission acknowledge that the credit providers for such financing or their respective agents may require Guyana and the Commission to enter into an agreement requiring GoG and the Commission, among other things, to refrain from terminating this Agreement for an additional period of time beyond the applicable cure periods set forth in clause 16.2 in order to permit the credit providers or their agents to cure any default set forth therein.

17. GOVERNING LAW, DISPUTE RESOLUTION AND JURISDICTION

- 17.1** This Agreement shall be governed by and construed in accordance with the laws of Guyana.
- 17.2** If any dispute or conflict, contractual or not in nature, arises in connection with the Project or under this Agreement or any Schedule, the Mining Licence or the Environmental Authorization or the breach, termination, validity, performance or interpretation thereof (any of such occurrences being hereinafter referred to as a "Dispute") the Parties shall resolve such dispute in the manner hereinafter set forth in this article 17.
- 17.3** Any Party to the Dispute may commence proceedings under this article 17 by convening a meeting between high-ranking representatives of the Parties (or such other representatives specifically designated for such purpose). Such representatives shall meet within 30 days from the date of the notice convening the meeting and shall use their best efforts to achieve a negotiated settlement to the Dispute in good faith for a period not exceeding ninety (90) days from the date of the aforesaid notice.
- 17.4** Any Dispute, except for matters under article 9, which is not resolved pursuant to 17.3 hereof or otherwise shall be referred for determination to final and binding arbitration, under the Rules of the International Arbitration Rules (the "Rules") of the American Arbitration Association (the "Court") applicable as of the date of the Dispute provided that the Rules may be supplemented, if required and applicable, by international law, including general principles of law recognized by civilized nations and principles applicable to contracts between States and foreign private parties, to the extent necessary to give full effect to the true intentions of the Parties as set forth in this Agreement and its Schedules. Notwithstanding the foregoing, the arbitration shall be conducted in accordance with the following provisions.
- 17.4.1** Each Party to the dispute (or group of Parties having substantial unity of interests as, for example, GoG and the Commission as one Party, and Company 2 and its Affiliates as the other Party) shall be entitled to appoint a qualified person to act as arbitrator and a third arbitrator shall be appointed by agreement of the Parties to complete the tribunal, or failing an agreement being reached within thirty (30) days of the initial appointments being made, a third arbitrator shall be appointed by the Court, and the third arbitrator however appointed shall act as chairman of the tribunal.
- 17.4.2** A decision by a majority of the members of the Tribunal is required to settle or resolve any Dispute. In the event the Tribunal is composed of an even number of arbitrators and is deadlocked for any reason, the chairman of the

Tribunal shall appoint an additional arbiter who, after a consideration of the Dispute and the evidence and submissions of the Parties, shall cast the deciding vote to settle or resolve the Dispute.

- 17.4.3 The place of arbitration shall be Port of Spain, Trinidad & Tobago, or at any other location mutually agreed by the Parties and the proceedings shall be conducted in English.
- 17.4.4 Each Party shall participate in any arbitration proceedings at its own expense, and expenses of arbitration shall be borne equally by the Parties. In the case of an award of monetary damages, the Court or, as applicable, the Tribunal shall be entitled to award interest thereon from the earlier of (i) the date on which proceedings are instituted and (ii) the date on which the relevant obligation became eligible, at LIBOR.
- 17.5 The failure by a Party to participate in arbitral proceedings shall not constitute valid grounds for rejecting the jurisdiction of the tribunal or the validity and enforceability of any of its awards. Each Party hereby undertakes to execute any arbitral award rendered against it in accordance with its terms, in full, voluntarily and without delay and hereby waives any entitlement to invoke any ground of immunity in respect of the jurisdiction of the tribunal or in respect of any award made by it or its enforcement. Judgment on the award may be entered and enforced in any court of competent jurisdiction. The provisions of the Arbitration Act (Laws of Guyana, CAP. 7:03) or of any other written law of Guyana relating to arbitration shall not apply to this Agreement, and the Parties hereby exclude the application of same for all purposes hereunder.
- 17.6 The Parties agree that any Dispute may be consolidated by the Tribunal, under the Rules, and heard together with any arbitration that may arise under any other agreement between the Parties if the Tribunal is of the opinion that such consolidation would be appropriate and in the best interests of the Parties.
- 17.7 GoG hereby expressly represents and warrants that it has signed and ratified all treaties, conventions and other documents necessary to give full effect to the provisions of this article 17 and that such provisions are binding and enforceable against it.
- 17.8 GoG hereby expressly and irrevocably waives any right to claim of sovereign immunity against jurisdiction, enforcement and execution of any arbitral award rendered as provided for in the article 17 or any judgment thereon in any court of competent jurisdiction.
- 17.9 The award of the arbitral tribunal shall be final and binding and shall be fully enforceable. The Parties undertake to faithfully comply with the award. The arbitral award must require that any payment be made in U.S. Dollars, without set-off,

withholding or other deduction, immediately available and freely transferable abroad. In this respect, even in such cases where the enforcement of the award involves payments in a currency other than the U.S. Dollars, the obligations of the indebted Party will not be fulfilled until the day in which the creditor Party receives the total amount owed in accordance with the arbitral award in U.S. Dollars.

18. TERM AND TERMINATION

- 18.1 This Agreement shall be deemed to have come into force as of the date on which it shall have been executed by all Parties (the "Effective Date") which shall occur prior to the date of the Mining Licence Grant Date. The Parties agree that all acts performed and all expenses incurred by Company 2 and its Affiliates as of and from the 29th day of June, 2004 in anticipation of the finalization of this Agreement and on the assumption that this Agreement would be executed shall be deemed for all purposes to have been validly performed and incurred pursuant to this Agreement. This Agreement shall remain in effect until the Mining Licence and any renewal thereof (or any like licence or similar evidence of rights granted in replacement thereof) definitively expires, unless earlier terminated pursuant to this article 18.
- 18.2 Company 2 may terminate this Agreement by giving six (6) months written notice to the GoG and the Commission, provided that Company 2 shall have the right to retract in writing its notice at any time prior to the expiry of such notice period.
- 18.3 GoG shall be entitled to terminate this Agreement only under the circumstances described and in the manner set forth in article 16 hereof.
- 18.4 In the case of a termination of this Agreement pursuant to clauses 18.1, 18.2 or 18-3 hereof, Company 2 shall:
- 18.4.1 subject to clause 18.5 hereof, be entitled to remove and otherwise deal with its property in Guyana as provided in clause 18.6;
 - 18.4.2 restore the areas used and damaged as provided in clause 6.4 and the ESIA;
 - 18.4.3 pay any fees due hereunder up to the time the termination becomes effective;
 - 18.4.4 submit complete reports and evaluations, maps, assays, samples, drilling tests and related articles to the Commission.
- 18.5 Before Company 2 is entitled to remove its property from Guyana and before any payments due to it are returned, Company 2 shall obtain from the Commission a certificate of compliance with its obligations under 18.4 hereof.
- 18.6 In the event of the termination of this Agreement in accordance with clauses 18.1, 18.2

or 18.3, the following provisions shall apply:

- (a) all fixed plant, equipment and other immovable assets of Company 2 and all materials, supplies, vehicles and other moveable assets of Company 2 shall be offered for sale at their fair market value to the Government within 30 days from the effective date of termination; if the Government does not accept such offer within 30 days from the date thereof, Company 2 shall sell, remove or otherwise dispose of all such property prior to the expiry of 120 days after the effective date of such termination; all such property not so sold, removed or otherwise disposed of shall become the property of Guyana without charge;
- (b) notwithstanding the foregoing, upon termination of this Agreement, the Government may by notice to Company 2 require the removal or destruction of any assets of Company 2 located in the Mining Area, and if Company 2 does not remove or destroy such assets within a period of 120 days from the date of the Government's notice to that effect, the Government may effect such removal or destruction and Company 2 shall assume the reasonable costs, which must have been incurred by the Government at competitive rates, of such removal or destruction;
- (c) upon the termination of this Agreement, Company 2 shall leave the Mining Area and everything thereon in safe condition in accordance with the closure plan as set out in the ESIA as updated and approved from time to time. In this connection, unless the Government otherwise directs, Company 2 shall in accordance with good mining industry practice, make safe all holes and excavations to the reasonable satisfaction of the Government. In the event that Company 2 fails to do so, the Government may perform such acts as may be necessary to make the Mining Area safe and Company 2 shall assume the reasonable costs, which must have been incurred by the Government at competitive rates, of said acts. To the extent that Company 2 complies with the terms of the Final Economic Assessment and the ESIA in the form accepted by the Commission in respect of the matters described in this clause 18.6(c), Company 2 shall be deemed to have fulfilled their obligations hereunder; and
- (d) Company 2 shall have the right to enter upon the Mining Area for the aforesaid purposes, subject to the rights of surface owners or others, for a period of one (1) year from the effective date of termination or such longer period as Company 2 may reasonably request.

18.7 In the event that Company 2 decides to suspend Operations under the relevant provisions of clause 4.3, Company 2 shall not be entitled to dispose, by sale or otherwise, of its Assets referred to in clause 18.6(c).

19. INDEMNITY

19.1 GoG hereby agrees and covenants to indemnify and save Company 2 and its Affiliates harmless from and against any and all loss, cost, expense, damage or liability (including,

without limitation, reasonable and documented attorneys' fees, and other expenses incurred in defending against litigation, either threatened or pending) arising out of or based upon:

- 19.1.1 any breach by GoG and the Commission of any representation, warranty, covenant or agreement made by either of them in this Agreement; and
 - 19.1.2 any failure by GoG or the Commission to satisfy any commitment or obligation made under this Agreement or under any document executed or delivered in connection with the transactions set forth in this Agreement.
- 19.2 Company 2 and its Affiliates hereby agree and covenant to indemnify and save GoG and the Commission harmless from and against any loss, cost, expense, damage or liability (including, without limitation, reasonable and documented attorneys' fees, and other expenses incurred in defending against litigation, either threatened or pending) arising out of or based upon:
- 19.2.1 any breach by them of any representation, warranty, covenant or agreement made by them in this Agreement;
 - 19.2.1 any failure by them to satisfy any commitment or obligation made under this Agreement or under any document executed or delivered in connection with the transactions set forth in this Agreement; and
 - 19.2.3 any environmental liability or adverse environmental condition of any nature whatsoever which may arise from or exist in connection with the Mining Area.
- 19.3 For the purposes of determining the Indemnifying Party and the Indemnified Party, GoG and the Commission shall be deemed to be one and the same Party. If any claim or demand (a "Claim") is asserted by any Person against a Party in respect of which such Party may be entitled to indemnification under the provisions of this article 19 (the "Indemnified Party"), written notice of such Claim, specifying the basis for the Claim and the amount thereof (to the extent feasible) shall promptly be given to the other Party (the "Indemnifying Party") from whom indemnification may be sought. The Indemnifying Party shall have the right (and if the Claim is based on a claim made by a third Person, shall notify the Indemnified Party whether it exercises such right), within thirty (30) days of its receipt of the notice of the Claim, to assume (subject to the right of the Indemnified Party to participate at its own expense and with counsel of its choice) the entire control of the defense, compromise or settlement of the Claim, including, at the Indemnifying Party's expense, retaining counsel of its choice. No Claim shall be settled or otherwise compromised without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld. Any damages to the assets, business or

operations of the Indemnified Party caused by a failure of the Indemnifying Party to defend, compromise or settle a Claim in a reasonable and expeditious manner, after the Indemnifying Party has given notice that it will assume control of the defense, compromise or settlement of the matter, shall be included in the damages for which the Indemnifying Party shall be obliged to indemnify the Indemnified Party.

19.4 In no event will consequential, exemplary or punitive damages be recoverable with respect to this Agreement by any Party, except to the extent sought and recovered by a third Person from the Indemnified Party.

19.5 The Indemnifying Party shall not be liable to the Indemnified Party for compensation hereunder unless the cumulative amount of compensation owing under all or any such Claims exceeds US \$50,000 in the aggregate. In such event, however, the full amount of any compensation owing shall be payable without deduction.

20. ASSIGNMENT

20.1 Company 2 may, at any time, assign all or part of its rights and obligations under this Agreement to a third party with the prior written approval of the GoG and the Commission. The GoG or the Commission shall not withhold its approval without good reasons. It is agreed that such reasons shall include but not be limited to the technical and financial capability of the proposed third party. All necessary fees and requisite taxes shall have been paid prior to the formal approval being provided.

20.2 In all cases of assignment and transfer, the assignee or transferee shall be subject to this Agreement and shall be bound to comply with the provisions of the Agreement. In the event of a partial assignment, the assignor and assignee shall each be severally (and not jointly and severally) liable for their own respective defaults hereunder.

20.3 Save and except the rights and interests granted or contained under this Agreement, the Mining and Prospecting Licences or any other authorization or related agreement, Company 2 and Troy Resources Limited shall have the right without the need for consent by or prior notice to the GoG or the Commission, to pledge, collaterally assign, mortgage or otherwise create security interests in or liens or other encumbrances on the Assets and any other tangible or intangible assets or rights owned by it (its rights and obligations), both moveable and immovable, to secure financing including to financial institutions, other creditors, issuers or guarantors of the creditors, or any agent or trustee appointed by such credit providers.

20.4 The GoG and/or the Commission shall provide each mortgagee, chargee or lien holder under a mortgage, charge or other security instrument given as authorized hereunder,

and each lender pursuant to a loan of which the Government has been given notice, whether made to Company 2 directly or indirectly (hereinafter collectively referred to as "Lenders" and individually a "Lender"), with a copy of any notice given to Company 2 under article 16. Any notice or copy of any notice to be given at the same time to any Lender shall be given in the manner described in clause 22.8 hereof to the address for service of notice given by such Lender to the GoG.

- 20.5 Should the GoG and the Commission give a notice to Company 2 pursuant to article 16, the GoG and the Commission shall give reasonable consideration to any proposal that any Lender may subsequently make to the GoG and the Commission taking into consideration the positions of those Lenders in regard to any outstanding obligations that Company 2 may have to them, directly or indirectly, at that time.

21. FURTHER ACTIONS

- 21.1 GoG hereby agrees and undertakes to sign all such documents, do all such things and make all such arrangements such that Company 2 will receive, from the relevant Government Authorities, all such specific authorizations, permissions and/or exemptions in respect of the subject matters described in the relevant provisions of articles 7, 8, 9, 12, and 13, as are necessary or desirable to give full force and effect to such matters described in articles 7, 8, 9, 12 and 13 hereof, including a regulation by the Minister under the Property Tax Act pursuant to Sections 10(a)(iv) and 16 of such Act excluding any investment in Company 2 made by any non-Guyanese Affiliate thereof or other foreign Person from the application of such Act in the manner contemplated in such sections.

22. MISCELLANEOUS AND FINAL PROVISIONS

- 22.1 The Parties shall treat all information relating to the Project including, without limitation, any report required to be filed by Company 2 hereunder, as confidential and shall only disclose such information to third parties in accordance with the provisions of clauses 3.11 and 3.12 hereof.
- 22.2 Company 2 shall notify the Government and the Commission promptly of the occurrence of any event which results in the death or injury of any person in the Mining Area or any event which may endanger natural resources within the Mining Area.
- 22.3 The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Parties' right

thereafter to enforce any provision or exercise any right unless such waiver is unambiguous, in writing and signed by the Person waiving such right, power or remedy. Any waiver of such right, power or remedy shall not be construed as a waiver of any succeeding or other right, power or remedy unless the contrary is expressly stated in writing and signed by the Party making such waiver. The failure by a Party to perform an obligation hereunder shall not excuse the performance by any other Party of its obligations hereunder unless the first mentioned obligation is a material obligation.

- 22.4 No amendment to this Agreement shall be valid unless made in writing and duly executed by each of the Parties.
- 22.5 Except as otherwise provided herein, this Agreement, together with the Schedules, contains the entire understanding of the Parties and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof.
- 22.6 There are no implied covenants in this Agreement other than those of good faith and fair dealing.
- 22.7 This Agreement shall be binding upon and enure to the benefit of the respective successors and permitted assigns of each of the Parties.
- 22.8 All notices and other required communications made pursuant to this Agreement to any Party shall be in writing and shall be addressed as follows:

TO COMPANY 2:

Troy Resources Guyana Inc.
82 Premniranjan Place
Prashad Nagar, Georgetown, Guyana
Telephone: +592 231 0798
Email: i.christie@troyres.gy
Attention: Company Secretary

With a copy to:

Troy Resources Limited
Unit 12, 1st Floor
11 Ventnor Avenue
West Perth, WA 6005
Australia
Telephone: +618 9481 1277
Email: s.apostolou@troyres.com.au
Attention: Company Secretary

**GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN**

TO THE COMMISSION:

The Guyana Geology and Mines Commission
Upper Brickdam
Georgetown, Guyana
Telephone: 592-225-3047
Telecopier: 592-227-0084
Attention: The Commissioner

TO GUYANA:

The Co-operative Republic of Guyana (including notices required to or permitted to be given to the GoG.

Office of the Minister with responsibility for
Mining,
The Ministry of Natural Resources and the
Environment
C/o Guyana Geology and Mines Commission,
Upper Brickdam,
Georgetown, Guyana.
Telephone 592-231-2507-9

All notices shall be given (i) by personal delivery to the Party or (ii) by electronic communication (including telexes and telecopies or telefaxes and scanned pdf. documents), or (iii) by registered or certified mail, return receipt requested. All notices shall be effective and shall be deemed to have been delivered (i) if by personal delivery, on the date of delivery if delivered during normal business hours and, if not, then on the next business day following delivery; (ii) if by electronic communication, on the next business day following receipt of the electronic communication; and (iii) if solely by mail, on the next business day after actual receipt. A Party may change its address for notice by providing notice of such new address to the other Parties.

- 22.9 The Parties hereby agree to cooperate at all times and to contribute to the extent of their respective capacities in order to ensure efficiency in the performance of Operations hereunder and to ensure the success of the Project and the economic development of Guyana. To this end, the Parties agree to meet on a regular basis to discuss matters of mutual concern.

GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN

IN WITNESS WHEREOF the Parties have hereunto caused their authorized representatives to set their respective hands hereto at the City of Georgetown, Guyana, in the presence of one another the day and year first above written.

THE COOPERATIVE REPUBLIC OF GUYANA)
)
)
)
)

By: [Signature]
Name: Hon. Robert Persaud MBA, MP.
Title: Minister, Natural Resources and the Environment
& Minister responsible for Mines and Minerals

[Signature]
Witness: GoG

GUYANA GEOLOGY AND MINES COMMISSION)
)
)
)
)

By: [Signature]
Name: Clinton Williams
Title: Chairman of the Board of Directors

[Signature]
Witness: GGMC

PHARSALUS GOLD INC)
)
)
)
)

By: [Signature]
Name: Ken Nilsson
Title: Director

[Signature]
Witness: Pharsalus
JAMES ALTMANN

TROY RESOURCES GUYANA INC)
)
)
)
)

By: [Signature]
Name: Ken Nilsson
Title: Director

[Signature]
Witness: Troy Guyana
ROGER JONES

TROY RESOURCES LIMITED)
)
)
)
)

By: [Signature]
Name: Ken Nilsson
Title: Executive Director

[Signature]
Witness: Troy Michael Rodrigues

GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN
D

KAROUNI MINERAL AGREEMENT - SCHEDULE A

TROY RESOURCES GUYANA INC. - DESCRIPTION OF KAROUNI PROPERTY/PROJECT

The mine will be focused on the recovery of ore for processing from Smarts and Hicks gold deposits depicted in Figure 1. The area is part of a 1100 km² area acquired by vendor agreements and direct grants to Pharsalus Gold Inc., a wholly owned subsidiary of Troy Resources Limited. Project components include an open cut mine, processing plant, tailings storage facility, mine site accommodation and additional infrastructure required to recover and to process ore for the recovery of gold.

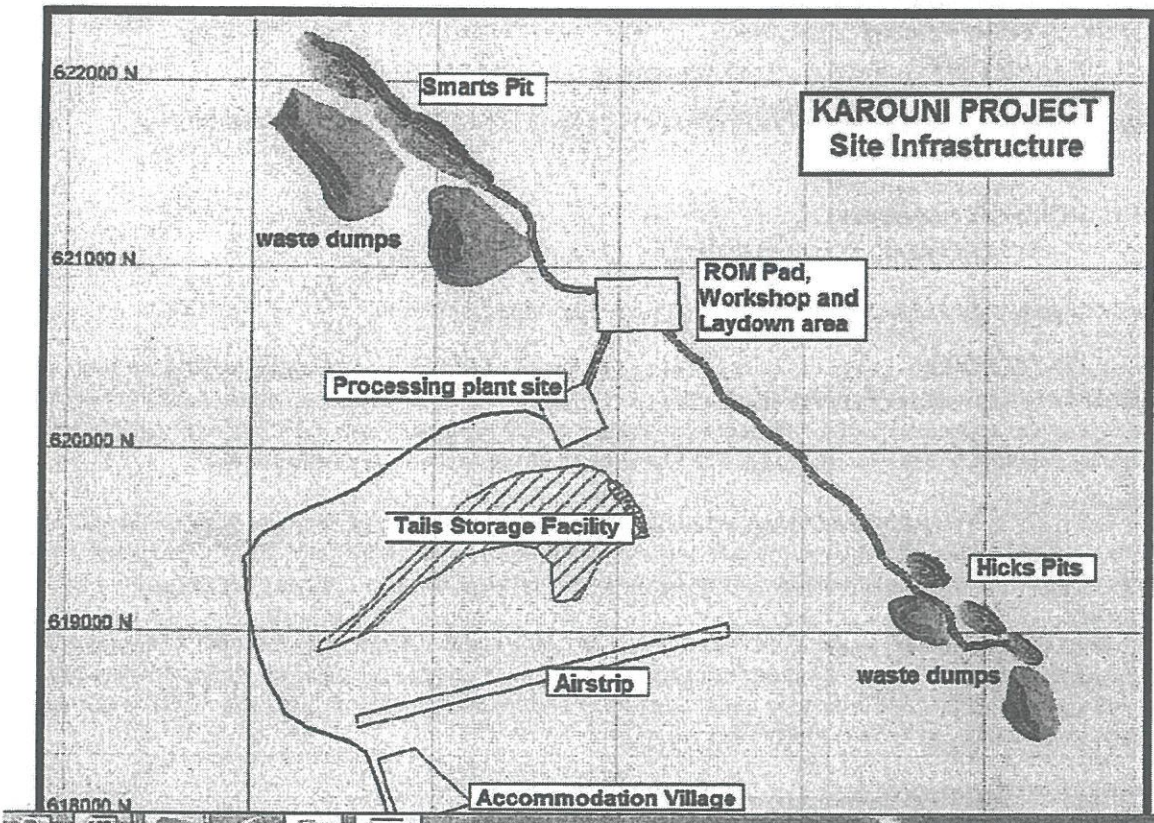


Figure 1 - Location of Smarts and Hicks Deposits & Project Infrastructure

Development and operation of the mine site will involve several distinct phases. These phases will include the following:

- Construction of mine site infrastructure and upgrade of mine site access road
- Construction of a process plant
- Staged construction of the tailings pond
- Construction of a raw water dam

Electricity for mine site operations will be provided by 6 -2Megawatt (MW) diesel-fired generator sets, each of which will be modular complete with acoustic enclosures and cooling systems. The power station will operate with 4 generator sets, with 1 available for operation on standby and 1 under maintenance. A

The Tailings Storage Facility (TSF) will be located approximately 600 meters to the south of the process plant and will be a valley storage facility with the containment embankment at the eastern end of the valley. The TSF will be constructed in a staged fashion with stage 1 being sufficient to store 3 years volume of process tails and rainfall runoff.

The mine site will be serviced by road and air. A new access road will be constructed to connect the mine site to the Amaila Falls Hydropower service road. The access road will be 9m wide and approximately 8km length and will consist of two 3.5m carriageways plus 1m shoulders as well as associated drainage ditches alongside the road. A 1km section of road will be constructed to provide access from the site access road to the proposed airstrip. That road will be 6m wide and will consist of two 3m carriageways, plus associated drainage ditches alongside the road. The airstrip will be located about 1.4km south of the process plant and will be designed to carry the Cessna Caravan which is a class B1 to B2 aircraft.

1.1 Preliminary Works

Initial on-site construction activities will focus on preparation of construction camp facilities, kitchen, construction site offices and workshops. The capacity of the communications system will be expanded along with the on-site administration and management areas. Sewer and water services will be expanded to meet the needs of the expanded camp.

The preliminary works will include the following not necessarily in the order listed:

- Improvement of the existing site access road
- Brushing and grubbing of areas for process plant and other site facilities
- Increasing the fuel and lubricant storage capacities
- Construction of workshops and offices
- Construction of medical facilities
- Improvements to the communications system
- Construction of materials storage areas
- Construction of new airstrip
- Installation of sewer, water and electrical services for the construction phase
- Construction of worker accommodations, kitchen and office
- Construction of buildings and shelters for repair and maintenance, power generators, water pumps, etc.
- Construction of hard rock crushing facilities, sawmill, and other ancillary support for construction activities

The access road will be upgraded to handle the higher traffic volumes. The upgrade will entail clearing the vegetation on the sides of the road and cut and fill to widen it. The access road will be surfaced using lateritic or other suitable material available along the roadway.

A portable sawmill will be installed onsite and will produce beams and timbers, forming boards and dimensional lumber. Temporary post and beam covered structures will be erected to accommodate construction activities.

Brushing and grubbing will be expanded to encompass construction sites. Brushing and grubbing would be controlled by survey to ensure that the required designed footprint of the operations is managed. Laydown areas will be developed. Access to a rock or aggregate source, desired for construction purposes, will be developed. Survey control and site layout activities will commence.

The mine pit will be developed in "phases" or "push-backs". The saprolite will be stripped and either processed, stockpiled for processing or disposed in the waste dump if of inadequate grade. The hard rock will be mined after enough saprolite ore has been mined to provide adequate working faces for the hard rock mining to begin. Each phase will be mined to ensure that safety, working area requirements, mine access and service requirements are taken into consideration.

The development of the open pit will be timed so that the pit can begin to supply ore to the processing facility once it is constructed.

The ore exploitation rate will result in a mine life of 3 years or more depending on the final processing rate.

1.3 Ore Processing Facility Construction

The construction of the processing facilities is expected to take 9 months and will include:

- ore storage, crushing, conveying, grinding, mineral processing, product storage and load-out facilities,
- gold recovery facilities,
- maintenance, storage, laydown yard, laboratory, office and administration areas, and
- construction of tailings, waste and water management ponds, electrical power generation, transmission, and other infrastructure facilities.

1.4 Mineral Processing

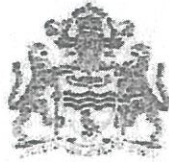
The process plant will consist of the following process stages (with the design potential for a future staged capacity increase to up to 1.6 million tonnes per annum):

- Ore crushing
- Stockpile reclaim, milling and classification
- Gravity concentration and intensive leach recovery
- CIL leaching and gold recovery via carbon elution
- Cyanide detoxification and tailings storage

The initial stage 1 process plant is expected to have a nominal capacity of an estimated 800,000-900,000 tonnes of ore per annum, designed to produce up to 120,000 ounces of gold per annum based on an average overall recovery of a minimum 92%.

Mineral processing will consist of handling the saprolite ore and fresh ore by blending the two together and processing singularly. The softness and clay content will make processing of the saprolite more challenging with conventional conveyance method. The saprolite ore would therefore be blended at a very low rate to address the potential material handling problems.

The plant Run of Mill (ROM) pad and primary crusher will be located on a ridge approximately 650m southwest of the Smart pit in order to avoid fly-rock and will be close enough to minimize haulage costs. The remainder of the treatment plant will be approximately 800m from the mining operations along the same ridge as the ROM pad.



Company No.: 7626

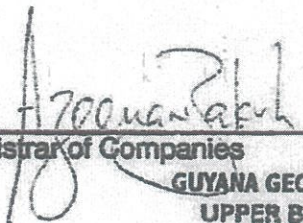
COMPANIES ACT OF GUYANA

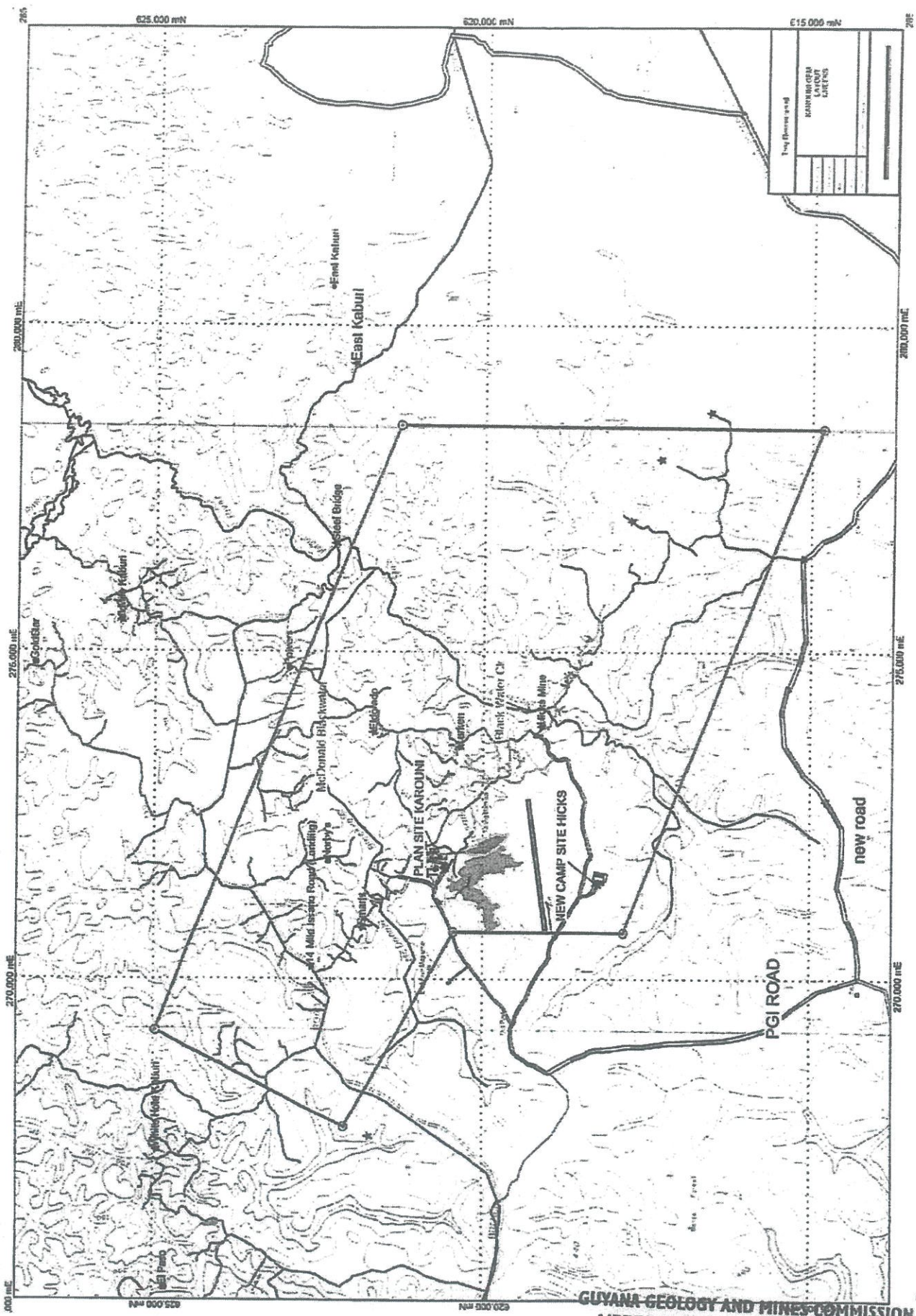
CERTIFICATE OF INCORPORATION

TROY RESOURCES GUYANA INC.

I hereby certify that the above-mentioned Company, Articles of Incorporation of which are attached, was incorporated under the Companies Act of Guyana on the 17th day of December, 2013.




Registrar of Companies
GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN



Topographic map

SYMBOLS	
[Symbol]	ROAD
[Symbol]	RAILROAD
[Symbol]	WATER
[Symbol]	CONTOUR
[Symbol]	BOUNDARY
[Symbol]	SETBACK
[Symbol]	...

GUYANA GEOLOGY AND MINES COMMISSION
 UPPER BRICKDAM, GEORGETOWN

**Karouni Mineral Agreement
Schedule D**

Pharos Gold Inc				
Quantity	Details	Supplier	Unit Cost (\$GYD)	Amount (\$GYD)
	Heavy Equipment + Machinery			
4	75HP Tractors		5,600,000.00	22,400,000.00
3	Back Blade for Tractor		500,000.00	1,500,000.00
4	5 Ton Tip Trailer		1,200,000.00	4,800,000.00
4	3 Ton Tip Trailer		700,000.00	2,800,000.00
5	Excavator		28,000,000.00	140,000,000.00
5	Bulldozer		28,000,000.00	140,000,000.00
3	Log Skidder		21,000,000.00	63,000,000.00
5	Grader		18,000,000.00	90,000,000.00
2	Dedicated Wheeled Fuel Bowers		4,500,000.00	9,000,000.00
5	Forklift / Pallet Handler		5,000,000.00	25,000,000.00
3	Telehandler with bucket attachment		4,000,000.00	12,000,000.00
3	Fuel + Oil Service Truck		16,000,000.00	16,000,000.00
3	Bob Cat		8,000,000.00	8,000,000.00
2	Excavators		\$2,200,000.00	104,400,000.00
3	Vibrating Compactor		11,600,000.00	11,600,000.00
3	Crane		33,600,000.00	33,600,000.00
4	Front End Loader		\$7,658,000.00	230,632,000.00
2	Hiab Truck		15,000,000.00	30,000,000.00
2	Water Truck		16,000,000.00	32,000,000.00
1	Truck Mounted Air Compressor		71,778,000.00	71,778,000.00
1	Back Hoe		15,361,400.00	15,361,400.00
5	Articulate Dump Trucks		80,000,000.00	400,000,000.00
	Motor Vehicles			
20	Toyota Land Cruisers Single Cab Pick-ups		8,200,000.00	164,000,000.00
10	Toyota Double Cab Pickups		7,000,000.00	70,000,000.00
2	Toyota Vans		2,400,000.00	4,800,000.00

GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN

3	Model M Bedford Truck		4,000,000.00	12,000,000.00
3	Model TM Bedford Truck		6,000,000.00	18,000,000.00
10	Side by Side ATVs		3,200,000.00	32,000,000.00
5	ATV Quad Bikes		2,500,000.00	12,500,000.00
3	Toyota Ambulance		12,959,346.00	12,959,346.00
3	30 Seat Bus		11,764,416.00	11,764,416.00
	Accessories for vehicles			
300	Mud Terrain Tyres		70,000.00	21,000,000.00
200	Rims to Suit		50,000.00	10,000,000.00
20	Bush Bars		250,000.00	5,000,000.00
20	Winches		350,000.00	7,000,000.00
50	Safety/Auxiliary Lights		80,000.00	4,000,000.00
26	Highlift Jacks		30,000.00	780,000.00
20	Canvas ABS Tray Canopies		200,000.00	4,000,000.00
50	Safety Whips	Petroquip	26,000.00	1,300,000.00
	Spares & Parts for Heavy Machinery			
	(inclusive, but not limited to)			
	Seals, Carrier Assemblies, Links, Bearings, COVER, Radiator, Handles, Thrust Rings, Bolts, Nuts & Washers, Pins, Belts, Gears & Gear Assemblies, Bushings, Shafts, Couplings, Blocks, Turbochargers, Fuel Injection Systems, Motors, Idler Assemblies, Sprockets, Tracks, O-Ring, Teeth, Bulbs, Cutters, Adapters, Fuses, Cylinders, Gaskets, Plates, Pumps and Pump Assemblies, Rings, Pistons, Valves, Air, Hydraulic & Water Hoses, Plugs & Plug Kits, Sensors, Switches, Nozzles, Shims, Rollers, Suspension, Dampers, Regulators, Mirrors, Cables, Filters, Cartridges, Windows & Windcreens, Exhausts, Buckets, Booms, etc.			
	Drilling & Blasting Equipment			
6	RC Drill Rigs and Associated Supplies		100,000,000.00	600,000,000.00
6	Diamond Drill Rigs and Associated Supplies		80,000,000.00	480,000,000.00
4	Aircore Drill Rigs and Associated Supplies		80,000,000.00	320,000,000.00

1	Airtrack Reedrill, Sullair compressor, Drill rod, Hammer Pinion, Turbine	DOEXSA	13,113,200.00	13,113,200.00
2	Booster		10,000,000.00	20,000,000.00
4	Compressor for Drill Rig		20,000,000.00	80,000,000.00
16	Tracked Mounted Support Vehicles		15,000,000.00	240,000,000.00
2	Morooka Tracked Carriers		2,500,000.00	5,000,000.00
Spares & Parts for Drilling Equipment				
(inclusive, but not limited to)				
	Stabilizers, Barrel, Landing ring, Adapter coupling, Locking coupling, Inner tube, Head assembly, Compression springs, Hanger Bearing, Thrust bearing, Shutoff rubbers, Spring Pin 1/2 x 2', Landing shoulder, Links, Latches, Latch Spring, Spirol Pin 7/16' x 1', Detent Plunger, Spear point, rods Hq3 bits, Hqs case, Hq3 lifter, Hq3 Stop rings, Hq3 splits, Fitting for pump out plug, Sub for head, Water Swivel, Top bearing Ws, Lower bearing, Pq casing, Shoe bits, Seals, Carrier Assemblies, Links, Bearings, COVER, Radiator, Handles, Thrust Rings, Bolts, Nuts & Washers, Pins, Belts, Gears & Gear Assemblies, Bushings, Shafts, Couplings, Blocks, Turbochargers, Fuel Injection Systems, Motors, Idler Assemblies, Sprockets, Tracks,		US \$400,000	US \$400,000
	Hammers, Sample tubes, Hammer kits, Shrouds, Bits, Sample hoses, Saver subs, Rods, Inner tubes, Head sample tubes, O-Rings		US \$500,000	US \$500,000
Sample/Core Handling + Storage				
600000	Large Plastic Sample Bags (RC Samples)		100.00	60,000,000.00
450000	Large Micropore		120.00	54,000,000.00
15000	RC Chip Trays		4,200.00	63,000,000.00
15000	Core Storage Trays		4,200.00	63,000,000.00
5	Core Saw		1,000,000.00	5,000,000.00
200	Core Saw Blades		50,000.00	10,000,000.00
12	Riffle Splitter		800,000.00	9,600,000.00
100000	Assay Standards - Pulverized Underground Rock Samples		150.00	15,000,000.00
4	Riffle Splitters		800,000.00	3,200,000.00

GUYANA GEOLOGY AND MINES COMMISSION
UPPER BRICKDAM, GEORGETOWN

<i>Drilling Muds + Additives</i>				
4800	AMC CR 650		29,400.00	141,120,000.00
7200	Bentonite		2,000.00	14,400,000.00
180	Aus Foam		23,000.00	4,140,000.00
1000	Platinum Pac		46,000.00	46,000,000.00
1500	Thread Bond Z		32,000.00	48,000,000.00
2000	Ring Free		18,000.00	36,000,000.00
2500	Foam It Kits / A		34,000.00	85,000,000.00
2500	Foam It Kits / B		34,000.00	85,000,000.00
1152	Super Foam		15,000.00	17,280,000.00
24	Rod Grease		185,200.00	4,444,800.00
5000	Bentonite		3,000.00	15,000,000.00
500	Poly-Plus		15,000.00	7,500,000.00
2400	Poly-Plus RD		15,000.00	36,000,000.00
500	Platinum Pac		45,000.00	22,500,000.00
30	Rod Coat		25,000.00	750,000.00
100	Rod Ease		25,000.00	2,500,000.00
500	Polyswell		30,000.00	15,000,000.00
<i>Explosives + Blasting Consumables</i>				
15,000	Explosive DC-2014-0150-1	ivalent ma	442.00	6,630,000.00
30,000	Domite 2" x 16" box of 25kg	ivalent ma	442.00	13,260,000.00
5,000	Explosive DC-2014-0150-2	ivalent ma	1,400.00	7,000,000.00
9,000	Nonel EZDET	ivalent ma	1,200.00	10,800,000.00
150	None Lead Line 2500ft/762m	ivalent ma	21,400.00	3,210,000.00
<i>Power Generation + Electrical Items</i>				
2	64 KVA Generators		3,119,592.00	6,239,184.00
2	52 KVA Generators		2,216,922.00	4,433,844.00
1	25 KVA Generator		2,300,000.00	2,300,000.00
2	15 KVA Generators		2,900,000.00	5,800,000.00
10	2.2 KVA Generators		400,000.00	4,000,000.00
1	518 KVA Generator	arm Supplie	16,443,000.00	16,443,000.00
6	CAT XQ2000 Gensets	Ring Power	130,426,400.00	782,558,400.00

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30	Light Towers	Ring Power	1,600,000.00	48,000,000.00
	Supply Lines for Power Generation Plant	REXEL	102,599,400.00	102,599,400.00
	Cable Ladder & Fittings	REXEL	25,405,200.00	25,405,200.00
1	CS05314-Med Voltage Switch Gear & Motor Control Center	Cemco	145,854,400.00	145,854,400.00
13	Transformers Types 1-9	Cemco	2,908,400.00	37,809,200.00
1	Automatic Transfer Switch & Distribution board 700-DB-001	Cemco	11,688,800.00	11,688,800.00
3	Electrical Cooling Unit 30 Ton	Cemco	7,400,400.00	22,201,200.00
	Camp + Services Equipment			
3	Water Purification Systems		2,000,000.00	6,000,000.00
24	Black Poly Tanks (610 Gallons)		50,000.00	1,200,000.00
5	Domestic Water Pumps		100,000.00	500,000.00
10	Inverter Systems (1200 watts)		30,000.00	300,000.00
10	Battery Chargers (30 amps)		120,000.00	1,200,000.00
20	Deep Cycle Batteries		80,000.00	1,600,000.00
1	Bore Hole Pump		500,000.00	500,000.00
14	Galvanised Steel frames for cabins	Precamp	82,000.00	1,148,000.00
70	Prefabricated Buildings for Accommodations		2,142,857.14	150,000,000.00
32	9000 BTU AC units	ECI	114,600.00	3,667,200.00
14	12000 BTU AC units	ECI	77,800.00	1,089,200.00
2	2400 BTU AC units	ECI	215,400.00	430,800.00
10	Maytag Heavy Duty Industrial Washing Machines		200,000.00	2,000,000.00
	Fuel Dispensation Equipment			
	(inclusive but not limited to)			
5	6000 Gallon Fuel Tanks		4,500,000.00	22,500,000.00
10	Fuel Purification Systems, Delivery Pumps, Meters, Fuel Treatments & Fungicides, Measuring Equipment, etc.		1,000,000.00	10,000,000.00
	Workshop and Stores			
5	Heavy Duty Tool Chests		250,000.00	1,250,000.00
4	Drill Press		50,000.00	200,000.00
4	Universal Bearing Press		50,000.00	200,000.00

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5	Pneumatic Tools		100,000.00	500,000.00
5	Universal Grinder/ Tool Sharpener		150,000.00	750,000.00
6	Vertical Store Bins		125,000.00	750,000.00
4	3000 PSI Washers		800,000.00	3,200,000.00
34	Socket, Wrench parts + spares		110,400.00	3,753,600.00
	Storage + Racking System for warehouses			
4	Air Compressor		20,000,000.00	80,000,000.00
	<i>Communication Equipment</i>			
10	QMAC Radios		700,000.00	7,000,000.00
2	Satellite Internet Equipment		1,500,000.00	3,000,000.00
6	Satellite Phones		500,000.00	3,000,000.00
2	BGAN Mobile Communication Units		1,000,000.00	2,000,000.00
	Digital VHF Repeater, Base Station, Mobile units, Portable Radios, Antenna, Materials for Earthing, Charger, Battery, VHF 100 Watts, Trbonet, Microphone, CMNS Antenna, Multi Unit Charger	CCS Guyana	27,980,249.00	27,980,249.00
1	Microwave Towers + Equipment			
	<i>Survey, Orientation & Testing Equipment</i>			
2	GBC Xplor AA Beam, spectrometer	GBC Scientific	4,565,800.00	9,131,600.00
2	ABB Ultrasonics level transmitter	Proncon	9,929,600.00	19,859,200.00
2	Leica Viva RTK DGPS Unit		12,000,000.00	24,000,000.00
20	Garmin GPS Units		100,000.00	2,000,000.00
1	Tribrach GRZ122 Reflector	ca Geosyste	609,800.00	609,800.00
4	Gyroscopic Down Hole Survey Tools		24,000,000.00	96,000,000.00
4	Ezy Mark Core Orientation Tools		15,000,000.00	60,000,000.00
2	Reflex EZ AQ Orientation Topl		10,000,000.00	20,000,000.00
2	Orientation Spears		1,000,000.00	2,000,000.00
100000	Ezy Mark Blocks		1,200.00	120,000,000.00
3	Nitons		8,000,000.00	24,000,000.00
6	Magnetic Susceptibility Meter		1,000,000.00	6,000,000.00
1	Scintillometer		3,200,000.00	3,200,000.00
1	Reel E-Z System	strument N	1,119,200.00	1,119,200.00
1	RH16 Bluetooth Radio	ca Geosyste	631,400.00	631,400.00

1	Reflector Poles	ca Geosyste	187,600.00	187,600.00
1	Total Station Survey Equipment			
2	Nuclear Soil/Moisture Density Meter			
5	XRF Hand Held Scanner		13,600,000.00	68,000,000.00
	<i>Geological Equipment</i>			
20	Hip Chains		18,000.00	360,000.00
500	Hip Chain Reels		3,500.00	1,750,000.00
20	Hand Lenses		20,000.00	400,000.00
20	Compasses		15,000.00	300,000.00
1100000	Aluminum Tags		120.00	132,000,000.00
5000	Flagging Tape Rolls		400.00	2,000,000.00
10000	Sharpie Markers		400.00	4,000,000.00
500000	Zip Ties		4.00	2,000,000.00
40000	Sample Ticket Books		1,200.00	48,000,000.00
5000	Rite in the Rain Notebooks		800.00	4,000,000.00
500	Reams Rite in the Rain Graph Paper		2,500.00	1,250,000.00
100	Sieves		35,000.00	3,500,000.00
2000	All Weather Pens		1,000.00	2,000,000.00
50	Geological Hammers		8,000.00	400,000.00
50	Rock Chisels		7,000.00	350,000.00
40	Scale Rulers		4,000.00	160,000.00
40	Douglas Protractors		12,000.00	480,000.00
24	Optical Squares		27,000.00	648,000.00
24	Inclinometer		50,000.00	1,200,000.00
50000	China Graph Pencils		200.00	10,000,000.00
5	Vertiplan Map Cabinet		600,000.00	3,000,000.00
20	Hand Auger Handles			
20	Hand Auger Rods			
100	Hand Augers Bits		100,000.00	10,000,000.00
15000	6" PVC Pipes		16,000.00	240,000,000.00
5000	4" PVC Pipes		13,000.00	65,000,000.00
	<i>Safety Equipment</i>			

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	Boxes Disposable Ear Plugs		55.00	-
	Safety Boots		12,000.00	-
	Rubber Boots		25,000.00	-
	Hard Hats		2,000.00	-
	High Visibility Vests		25,000.00	-
	Gloves			
	Visors & Safety Shields			
	Goggles & Shades			
	Mining and Plant Equipment			
1	Processing Mill		1,000,000,000.00	1,000,000,000.00
1	Primary Crusher		300,000,000.00	300,000,000.00
1	Secondary Crusher		200,000,000.00	200,000,000.00
1	Conveyor System		160,000,000.00	160,000,000.00
1	Grizzly		60,000,000.00	60,000,000.00
	Processing Pumps + Pipework + Valves		400,000,000.00	400,000,000.00
1	Aggregate Plant		100,000,000.00	100,000,000.00
1	Concrete Batching Plant		200,000,000.00	200,000,000.00
	Spares & Parts for Plant Equipment			
	(inclusive, but not limited to)			
	Mill Liners, Bolts, Seals, Carrier Assemblies, Links, Bearings, COVER, Radiator, Handles, Thrust Rings, Bolts, Nuts & Washers, Pins, Belts, Gears & Gear Assemblies, Bushings, Shafts, Couplings, Blocks, Turbochargers, Fuel Injection Systems, Motors, Idler Assemblies, Sprockets, Tracks, O-Ring, Teeth, Bulbs, Cutters, Adapters, Fuses, Cylinders, Gaskets, Plates, Pumps and Pump Assemblies, Rings, Pistons, Valves, Air, Hydraulic & Water Hoses, Plugs & Plug Kits, Sensors, Switches, Nozzles, Shims, Rollers, Suspension, Dampers, Regulators, Mirrors, Cables, Filters, Cartridges, Windows & Windscreens, Exhausts, Buckets, Booms, etc.			
	<i>(Items may include Ancillary Equipment)</i>			

Crushing Equipment				
1	Jaw Crusher	Metso	46,656,400.00	46,656,400.00
1	Cone Crusher	Metso	95,111,000.00	95,111,000.00
1	Apron Feeder	Metso	49,400,000.00	49,400,000.00
1	Vibrating Feeder	Interquip	7,359,400.00	7,359,400.00
1	Crusher Magnet		84,000,000.00	84,000,000.00
1	Jaw crusher discharge chute	Mets	29,950,200.00	29,950,200.00
1	Cone crusher structure	Metso	132,097,400.00	132,097,400.00
1	Dust collector	DCE Env.	10,421,400.00	10,421,400.00
1	Jaw Crusher steel structure	Mets	8,967,600.00	8,967,600.00
1	Chain assembly, Master flight	Metso	12,592,000.00	12,592,000.00
1	Electromagnet with rectifier	Interquip	13,000,000.00	13,000,000.00
1	Conveyor system	Interquip	183,000,000.00	183,000,000.00
4	Jaw Crusher wedge	Brastrono	7,487,400.00	29,949,600.00
1	Jaw Crusher Feed Chute	merican Ste	8,967,600.00	8,967,600.00
<i>(Items may include Ancilliary Equipment)</i>				
Grinding Equipment				
1	Weightometer		13,400,000.00	13,400,000.00
12	Ball Mill sump pump	Keto	276,400.00	3,316,800.00
2	Gravity concentrator 1	Knelson	4,050,000.00	8,100,000.00
2	Gravity Concentrator 2	Knelson	27,859,200.00	55,718,400.00
1	Intensive leach reactor	ekko System	61,016,200.00	61,016,200.00
2	Cyanidation leach pump	Keto	4,243,200.00	8,486,400.00
2	Anti scalant pumps	Acromet	646,600.00	1,293,200.00
1	Trash screen	Iterquip	3,060,000.00	3,060,000.00
2	Trash screen water sprays	FL Smidth	3,833,600.00	7,667,200.00
1	Pre leach thickener	DBS Manuf.	38,837,000.00	38,837,000.00
2	Leach feed pumps	Keto Pumps	4,243,200.00	8,486,400.00
10	Pumps	Mono Pump	609,800.00	6,098,000.00
3	Fullbore Mag flow transmitter	Burket	1,758,000.00	5,274,000.00
1	Mixer Drive	Mixtec	47,257,800.00	47,257,800.00
700	Grinding Media - Hand mill balls (ton)	Iterquip	240,000.00	168,000,000.00

1	Lime tanks	Infab	4,277,000.00	4,277,000.00
7	Cylindrical tanks	Damus	122,600,000.00	858,200,000.00
1	Crusher-Finlay	Ballytrain	52,208,000.00	52,208,000.00
1	Switch gear & Motor control center	Cemco	145,854,400.00	145,854,400.00
	<i>(Items may include Ancillary Equipment)</i>			
	Leaching Equipment			
1	Knelson Concentrator	Interquip	9,000,000.00	9,000,000.00
7	CIL Wet ends	Mixtec	2,627,200.00	18,390,400.00
2	Concentrator PLC System	Consep	30,281,800.00	60,563,600.00
2	Carbon & Gravity screen	Fl Smidth	16,200,000.00	32,400,000.00
1	Cyanide Agitator Platform	American Ste	20,151,200.00	20,151,200.00
3	Detox Agitator	Mixtec	14,177,200.00	42,531,600.00
	<i>(Items may include Ancillary Equipment)</i>			
	Gold Stripping			
	Keto pumps	Keto	43,466,000.00	43,466,000.00
2	Mixer 1067	Mixtec	1,997,600.00	3,995,200.00
2	Mixer 1067	Mixtec	1,559,600.00	3,119,200.00
2	Electrowinning Cells	Interquip	7,200,000.00	14,400,000.00
13	EW pump	Aquaplug	102,000.00	1,326,000.00
12	Sump pumps	Keto	3,259,800.00	39,117,600.00
1	Elution System	Kappes	50,957,800.00	50,957,800.00
8	Process water pumps	Keto	9,533,400.00	76,267,200.00
4	Bolt pipes	Boltmaker	571,200.00	2,284,800.00
1	Metal Detector	Sanwest	3,700,000.00	3,700,000.00
5	Rivet Tool	Fenner	341,400.00	1,707,000.00
1	Pressure Filters	Interquip	1,740,000.00	1,740,000.00
8	Gasket, filter cloth	Fl Smidth	47,800.00	382,400.00
3	Belt Weigher	ermo Gamr	1,386,600.00	4,159,800.00
1	Valve Transmitter	Kappes	42,104,200.00	42,104,200.00
1	Exhaust system with filter	Circuito	25,000,000.00	25,000,000.00

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2	Aquaplus pumps	colm Thomj	730,200.00	1,460,400.00
2	Tail pumps	Interquip	5,370,000.00	10,740,000.00
2	Transfer pump	Mono Pump	4,023,000.00	8,046,000.00
1	Pre Leach thickener	DBS Manf	38,837,000.00	38,837,000.00
1	3 Tonne pressure strip	Kappes	404,400,000.00	404,400,000.00
1	Carbon Transfer pump	Vier Minera	29,952,000.00	29,952,000.00
2	Metering pumps	Acromet	608,400.00	1,216,800.00
10	Momo Pumps	Mono Pump	881,600.00	8,816,000.00
1	Rotor, Stator	Mono Pump	851,600.00	851,600.00
2	Tails pumps	Interquip	4,833,000.00	9,666,000.00
1	Feed pumps	Keto	9,429,400.00	9,429,400.00
	<i>(Items may include Ancillary Equipment)</i>			
	<i>Reagent Mixing & Distribution</i>			
200	Fildrain	GBC	26,800.00	5,360,000.00
1	CuSO4 Mixing tank		16,000,000.00	16,000,000.00
1	Agitator		47,257,800.00	47,257,800.00
1	Lime tanks	Infab	4,277,000.00	4,277,000.00
1	CN Mixing tank	Infab	9,255,200.00	9,255,200.00
3	Cyanide Tank	Damus	42,400,000.00	127,200,000.00
1	SMBS mixing plant with tanks		16,000,000.00	16,000,000.00
7	Gearboxes + Electric Motors	Interquip	7,471,400.00	52,299,800.00
1	Flocculant System	Mets	22,000,000.00	22,000,000.00
1	Inline Leaching system	Gekko	67,795,800.00	67,795,800.00
1	Impellor, Pulley-Suction cover	Vier Minera	5,689,200.00	5,689,200.00
3	Como Screens	Interquip	3,633,200.00	10,899,600.00
3	Trash Screen	Interquip	1,133,200.00	3,399,600.00
100	Activated Carbon (metric tons)	Haycarb	413,400.00	41,340,000.00
1	Kaeser compressor Tank		71,778,000.00	71,778,000.00
1	Conveyor + Plate liner	Keto	1,455,000.00	1,455,000.00
1	Expellor system	Vier Minera	3,348,200.00	3,348,200.00
1	Storage tanks SMBS-	Tank West	4,790,000.00	4,790,000.00
1	Cylinder liner-Vortex	FL Smidth	3,190,800.00	3,190,800.00

1	Dust collector	DCE Envr.	11,575,800.00	11,575,800.00
632	Conveyor belts (metres)	Fenner	64,000.00	40,448,000.00
1	Cone replacement	Geo-Con	245,200.00	245,200.00
25	RFQ Items	Procon	441,200.00	11,030,000.00
1	Vibrator motor, screen panel	FL Smdith	3,833,600.00	3,833,600.00
1	Conveyor drives,pulley	Interquip	25,756,800.00	25,756,800.00
1	Gravity circuit tower	merican Ste	276,656,600.00	276,656,600.00
1	Head Pulley Metal Structure	merican Ste	8,399,000.00	8,399,000.00
1	Support & Head Chute Platform	merican Ste	2,306,400.00	2,306,400.00
1	Filter Press	Interquip	1,566,000.00	1,566,000.00
90	Steel for Tanks (Metric Tons)	entral Trinid	172,200.00	15,498,000.00
1	Fabrication of steel buildings- Engineering base	Allied Steel	26,047,800.00	26,047,800.00
6	Door non insulated	Allied Steel	251,200.00	1,507,200.00
1	7th Building 10mx20mx5m	Allied Steel	8,081,400.00	8,081,400.00
40	Welded Wire Mesh Mats A142-S X8 X8 X6MM X8FTX6FT (40Sheets/MT)	entral Trinid	106,600.00	4,264,000.00
	<i>(Items may include Ancillary Equipment)</i>			
	Mineral Processing - Chemical Consumables			
300	Cyanide (Metric Tons)	TBA	540,000.00	162,000,000.00
1,200	Hydrated Lime (Metric Tons)	TBA	50,000.00	60,000,000.00
400	Sodium Methyl Bi-Sulphate (Metric Tons)	TBA	120,000.00	48,000,000.00
250	Hydrochloric Acid (Kilolitres)	TBA	120,000.00	30,000,000.00
30	Flocculant (Metric Tons)	TBA	200,000.00	6,000,000.00
250	Caustic Soda (Metric Tons)	TBA	160,000.00	40,000,000.00
120	Copper Sulphate (Metric Tons)	TBA	160,000.00	19,200,000.00
12	Gold Room Consumables - Various	TBA	400,000.00	4,800,000.00
	Kitchen + Catering Facilities			
1	Bakery/Pastry & Kitchen Equipment	rookneal Im	31,587,800.00	31,587,800.00
6	Washer/Dryer Machines	rookneal Im	780,000.00	4,680,000.00
3	Microwaves	rookneal Im	297,000.00	891,000.00
1	Items for bakery area-Proofer car, aluminum construction, 1800Watt 4 Caster, Oven, Set of 4 Green Epoxy Wire Shelf	rookneal Im	5,104,400.00	5,104,400.00

1	Utility Cart 400lb	rookneal Im	64,000.00	64,000.00
1	Single Tank Door Type Dishwasher-65 Rack 20 X 20	rookneal Im	3,737,000.00	3,737,000.00
1	GAS LPG Stock pot, 18 x 21, 3 rings 90,000 BTU Stainless steel Burner	rookneal Im	326,000.00	326,000.00
3	Industrial Freezers		500,000.00	1,500,000.00
3	Industrial Coolers		500,000.00	1,500,000.00
<i>Medical Supplies (inclusive but not limited to)</i>				
	Thermometers, Stainless steel tables, Patient chairs, Ophthalmoscopes, sterilization ovens, Stainless steel basins, Vaccines, Cotton Blankets, Trauma bags, Spinal immobilizers, Scalpels, 6X4 Gauze Mollleasts, Hypoallergenic tape, Cotton Gauze, Coil wrapper paper, Butterfly infusion, Oxygen tube, Oxygen mask, Fire extinguisher, Philadelphia collar, Nitrilo gloves, Cidex OPA, Autoclave Indication Tape	macia Karir	26,857,000.00	26,857,000.00
	Medium splint, Scalpel blades no.22,10,24, Mononylon 6/0,4/0,5/0,3/0, Reinforced adult clinical stretcher, Rescue rigid long board with velcro belts pra, Cotton of 200gr (10 containers)	macia Karir	4,637,600.00	23,188.00
<i>Temporary Imports</i>				
	Tools & Requisite supplies for drilling, blasting, civil and mechanical engineering projects			

* All Quantities, Descriptions, Suppliers and Prices are indicative and may change dependent on availability, product development and technique used in operations as well as project expansion/increased throughput.

** Equipment listed is not finite and additional items may be required for development of the project.

