

LICENCE TO PURCHASE AND EXPORT GOLD

AN AGREEMENT

BETWEEN

**THE GOVERNMENT OF
THE REPUBLIC OF GHANA**

AND

MONEX MINING COMPANY LIMITED

..... 2017

THIS AGREEMENT is made the 6th day of NOVEMBER 2017 BETWEEN the GOVERNMENT OF THE REPUBLIC OF GHANA (hereinafter called "the Government") acting by its true and lawful attorney, HON. JOHN-PETER AMEWU, the Minister of Lands and Natural Resources (hereinafter called "the Minister") of the one part AND MONEX MINING COMPANY LIMITED (hereinafter called "the Company") a limited liability company incorporated in Ghana with registered office at 26, Sunyani Avenue, Kanda, Accra, in the Greater Accra Region of Ghana, acting by its Managing Director, MR. LEIGH GODFRED KWAKU BOATENG of the other part.

WHEREAS:

- A. The Government is desirous of ensuring the maximum utilization of its mineral resources in such a manner as will optimize benefits that accrue to the nation from the exploitation of its minerals;
- B. The Government is determined to discourage illicit trade in minerals including gold and has under prescribed regulations agreed to license private companies to purchase and export gold produced by holders of small scale mining licence;
- C. The Company has applied for a licence to purchase and export gold from Ghana and;
- D. In accordance with the powers conferred on the Minister under Sections 6 and 104 of the Minerals and Mining Act, 2006 (Act 703) the Minister has agreed to grant the Company a licence ("the Licence") to purchase gold and export same subject to the following terms and conditions:

THE PARTIES HAVE AGREED AS FOLLOWS:

1. AUTHORISATION

The Company is hereby authorized to purchase gold locally from any person holding a small scale mining licence ("small-scale miner") at the Company's registered offices in Ghana and to export same in accordance with the terms of this Agreement.

2. APPOINTMENT OF GOLD BUYING AGENTS

- 1) The Company may appoint Gold Buying Agents to purchase gold on behalf of the Company from small-scale miners.
- 2) A person who is not a citizen of Ghana shall not be appointed as a Gold Buying Agent.
- 3) The company shall within seven (7) days of such appointment, register the Gold Buying Agent with the Minerals Commission by providing the following particulars:
 - (a) Name or Incorporation documents of the Gold Buying Agent;
 - (b) Copy of the Birth Certificate, where the Gold Buying Agent is an individual;
 - (c) Two (2) Passport -sized photographs, where the Gold Buying Agent is an individual;

- (d) Copy of National Identification i.e. National Identification Card, Voters Identification Card or Passport, where the Gold Buying Agent is an individual;
- (e) Curriculum Vitae of the Gold Buying Agent (where the Gold Buying Agent is an individual) or of the key staff of the Gold Buying Agent (where the Gold Buying Agent is a company); and
- (f) Contact Information i.e. Name and Location of the suppliers of gold to the Gold Buying Agent.

4) The registration of a Gold Buying Agent with the Minerals Commission may be renewed annually provided that the Gold Buying Agent complied with the terms and conditions of the Gold Buying Agent's registration and any law relating to the activities of the Gold Buying Agent.

5) The registration of a Gold Buying Agent is not transferrable.

3. OPENING OF ACCOUNTS

- 1) The Company shall within thirty (30) days from the date of execution of this Agreement and prior to the commencement of the purchase of gold, open and operate bank accounts for the gold buying and export operations of the Company.
- 2) The accounts shall be maintained with a bank duly licensed by the Bank of Ghana, and shall include a Ghana Cedi account and a foreign exchange account.

4. ESTABLISHMENT OF ASSAYING FACILITIES BY THE COMPANY

The Company shall establish assaying facilities for its gold buying and export operations, which at the request of the Minerals Commission, shall be opened for inspection by the Minerals Commission or by its authorised representatives.

5. ASSAY BY GOVERNMENT DESIGNATED LABORATORY

- 1) The Minister, in accordance with Regulation 3(3) of the Minerals and Mining (General) Regulations, 2012 (L.I. 2173), shall appoint a Government designated laboratory to undertake an assay on all gold intended to be shipped by the Company. The cost of assay shall be borne by the Company.
- 2) The Company shall prior to the export of any gold, grant access to the Government designated laboratory to assay all the gold to be exported.
- 3) The Company shall notify the Government designated laboratory of the scheduled dates for export of gold at least two (2) working days prior to the scheduled dates.
- 4) Where the assay value of the gold to be exported, as determined by the Government designated laboratory, differs from the assay value as determined by the Company, the higher assay value determined shall prevail.

6. SUBMISSION OF REFINING AND SALES CONTRACT

The Company shall during the pendency of this Agreement, submit to the Minerals Commission, a copy of any refining and sales contract executed between the Company and any other body corporate within seven (7) days from the execution of the contract.

7. CONDITIONS OF EXPORT

- 1) The Company shall at all times satisfy the requirements and conditions of the Minerals Commission and Bank of Ghana relating to the sale or export of any gold and any other conditions as the Minerals Commission and the Bank of Ghana may direct from time to time.
- 2) The Company shall repatriate into Ghana, through the accounts referred to in Clause 3(2), an amount representing not less than eighty per cent (80%) of the proceeds realised from the sale of gold exported to any consignee.
- 3) The Company shall comply with Clause 7(2) within thirty (30) days of the date of its last shipment before another or subsequent shipment to the consignee can be effected.

8. SUPPLY TO LOCAL REFINERIES

To ensure regular supply to local users, the Company shall, subject to the Government's directive on the exportation, sale and disposal of minerals, supply to local refineries a portion of gold purchased by the Company.

9. SUPPORT FOR DEVELOPMENT OF SMALL-SCALE MINING

- 1) The Company shall be required to make monthly payments into a special account to be operated by the Minerals Commission towards the sustainable development of the small-scale mining industry in the country.
- 2) The payments shall be fixed at the rate of 0.2% of the total value of gold purchased by the Company in any particular month or any other rate as the Minerals Commission may fix from time to time.

10. RETURNS AND REPORTS

- 1) Without prejudice to any reporting requirements imposed by any competent authority or body, the Company shall submit monthly returns to the Minerals Commission on all gold purchases, assays and final statements on each shipment.
- 2) Each such return shall include, but not be limited to:
 - a. serial number;
 - b. weight and quantity of gold purchased;
 - c. weight and quantity of gold exported;
 - d. weight and quantity of gold sold to local refineries;
 - e. weight and quantity of gold refined with local refineries;
 - f. assay values;
 - g. market value of the product;
 - h. copies of final refinery returns;

- i. copies of:
 - i. Bank of Ghana Exchange Control Form 4A,
 - ii. Customs Division (of the Ghana Revenue Authority) Declaration Form,
 - iii. Air Way Bill for each shipment;
 - iv. Assay Reports from the Government designated laboratory; and
- j. evidence of repatriation of the proceeds from the sale of gold exported in accordance with Clause 7.

11. TAX OBLIGATIONS

The Company's tax obligations shall be as provided for in the Income Tax Act, 2015 (Act 896) or in any enactment for the time being in force.

12. DURATION OF THE LICENCE

- 1) The Licence shall be valid for a period of three (3) years.
- 2) The Company may apply for the renewal of the Licence not later than three (3) months before the expiration of the term of the licence.
- 3) The Minister may, upon application by the Company, renew the Licence for a further period of three (3) years provided that there has been no breach of the terms and conditions of this Licence and any law relating to the activities of the Company.
- 4) The Licence may be renewed upon such reasonable terms as the Minister may determine.

13. CANCELLATION OF LICENCE

- 1) The Minister may suspend or cancel this Licence if the Company:
 - (a) is in breach of any of the terms and conditions of this Licence or in breach of any provision of any law relating to the Company's activities;
 - (b) becomes insolvent or bankrupt, enters into any agreement or scheme of composition with its creditors, or takes advantage of any enactment for the benefit of its debtors, or goes into liquidation; or
 - (c) makes any statement to the Minister, the Minerals Commission or any other competent body or authority which the Company knows or ought to have known to be false.
- 2) The Minister shall, before suspending or cancelling this Licence, give sixty (60) days' notice to the Company to remedy any breach of the terms and conditions of this Licence and where such breach cannot be remedied, the Company shall be required to show cause to the satisfaction of the Minister why the Licence should not be suspended or cancelled.
- 3) On cancellation of this Licence, the rights of the Company under this agreement shall cease but without prejudice to any liabilities or obligations incurred by the Company in relation to the Licence prior to the date of the cancellation.

14. DISPUTE RESOLUTION

- 1) Any dispute between the parties in respect of the interpretation or enforcement of the provisions of this document, shall first be settled amicably through mutual discussion between the parties.
- 2) In the event that the parties are unable to resolve the dispute through mutual discussions, the dispute shall be submitted by a party to the dispute to arbitration under the Alternative Dispute Resolution Act, 2010 (Act 798), or any other enactment in force for the resolution of disputes.
- 3) The place of arbitration shall be Accra and the proceedings shall be in English.

15. NOTICE

- 1) Any notice given under this agreement shall be in writing and may be served:
 - (a) In person; or
 - (b) By registered mail.
- 2) The parties' address for the service of notice shall be as follows:

(a) For the Minister
The Honourable Minister
Ministry of Lands and Natural Resources
P. O. Box M. 212, Accra

(b) For the Company
The Managing Director
P. O. Box KIA 16017,
Accra

16. ASSIGNMENT AND TRANSFER OF RIGHTS

This Licence is not transferable.

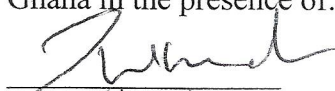
17. GOVERNING LAW

This Agreement shall be governed by and be construed in accordance with the laws of Ghana.

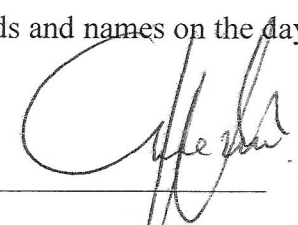
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IN WITNESS whereof the parties hereto have hereunto set their hands and names on the day and year first above written.

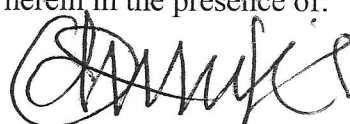
SIGNED by **Hon. John-Peter Amewu**)
for and on behalf of the Government of)
Ghana in the presence of:)


(signature)

Name: Sulemana Madhana)
Address:)


MINISTER
MINISTRY OF LANDS
AND NATURAL RESOURCES

CHIEF DIRECTOR
MIN. OF LANDS & NATURAL
RESOURCES)
SIGNED by **Mr. Leigh Godfred Kwaku Boateng**)
for and on behalf of Monex Mining Company Limited)
herein in the presence of:)


(signature)

Name: Kudjo Frimpong)
Address: P. O. BOX KIA 160 17)
Accra)