



Lotus (Africa) Limited

Mine Development Agreement

between

The Republic of Malaŵi

and

Lotus (Africa) Limited

26th July 2024

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between **The Republic of Malaŵi** acting through the Ministry of Mining at Capital City, Lilongwe, Malaŵi and Ministry of Finance and Economic Affairs at Capital Hill, Lilongwe, Malaŵi (**the "State"**)

And **Lotus (Africa) Limited**, a company incorporated in the Republic of Malaŵi (registration number 5664) and having its registered office at Ernst & Young Villa, Area 14, Pacific Villas, Post Office Box 30697, Lilongwe, Malaŵi (**the "Company"**).

Recitals

- A The entire property in, and control over, minerals in land in Malaŵi are vested in the Republic of Malaŵi.
- B The State wishes to encourage the further exploration and development of minerals in Malaŵi through the operation of mining companies in a manner which is consistent with the needs of the people of Malaŵi, the protection of the environment for current and future generations and the development of the country.
- C The State also desires, through the operation of mining companies, to:
- (i) benefit regions in which minerals are developed, including facilitating urbanisation and education for sustainable regional development;
 - (ii) create more employment opportunities, to encourage and develop local business and ensure that skills, know-how and technology are transferred to citizens of Malaŵi;
 - (iii) acquire basic data regarding and related to the country's mineral resources; and
 - (iv) preserve and rehabilitate the natural environment for the further development of Malaŵi.
- D The Company is beneficially owned by Lily Resources Pty Ltd as to 85% and the State as to the remaining 15%.
- E The Company inherits the Paladin Shareholders Deed, which govern (amongst other matters) the operations of the Business and the Company (including specific fiscal benefits that apply to the Company and the Project), subject to the necessary amendments.
- F The Parties acknowledge that the Company has previously undertaken significant expenditure in exploration, evaluation, construction and operations over, or in connection with, the area of the Licence and has complied with all licence conditions, through technical, environmental, social and community programs, and has undertaken rehabilitation of the relevant area without environmental or social detriment whatsoever.



- G With the authority provided under section 143 of the Mines and Minerals Act 2023 (No. 25 of 2023), the Parties agree to re-commence development of the Project in accordance with the terms and conditions in this Agreement.

In accordance with the authority provided under section 143 of the Mines and Minerals Act, it is now agreed as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Agreement, unless the context requires otherwise:

Additional Licences means the exclusive prospecting licences and exploration licences detailed in Schedule 1, and any other mining tenement applied for by the Company in Malaŵi from time to time under the Mines and Minerals Act.

Affiliate Company has the meaning given in the Mines and Minerals Act.

Affiliate Contract means any transaction or group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with an Affiliate Company or a Related Person.

Agreement means the agreement constituted by this document (including all schedules and annexures to it), as varied from time to time in accordance with its terms.

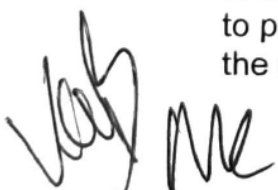
Arbitrator means the arbitrator appointed in accordance with clause 29.2(b).

Arm's Length Terms means a transaction where:

- (a) the parties in negotiating the transaction have sought to promote their own best interests in accordance with fair and honest business methods;
- (b) the consideration expressed in the agreement for the transaction entered into is the only consideration for the transaction; and
- (c) the price and other terms of the transaction have not been affected by, nor determined as a consequence of, any other agreement or any direct or indirect relationship (other than the relationship created by the transaction agreement between the contracting parties).

Authorised Person means any person(s) performing a function pursuant to Mineral Legislation.

Best Endeavours means the taking by the relevant Party of all lawful, reasonable steps in such Party's power but nothing requires the relevant Party to pay money or incur expenses which are not required to be paid or incurred in the ordinary course.



Business means the business that may be carried on by the Company (elements of which may be subcontracted to third parties) from time to time, including:

- (a) prospecting, exploration and development;
- (b) Mining of ore and waste;
- (c) beneficiation and treatment of ore to produce Mine Product;
- (d) Processing of Mine Product;
- (e) transporting, exporting and sale of Mine Product;
- (f) storage of radioactive material in the Hazardous Waste Facility; and
- (g) production of sulfuric acid to be consumed in the treatment of ore;
- (h) importing supplies and consumables (including reagents), machinery and equipment, and such other imports as may be required by the Company or any of its contractors for the Project;
- (i) generation and transmission of electricity to be consumed in the production of Mine Product;
- (j) engaging in any activity contemplated in this Agreement, including performance pursuant to any Scheduled Plan, Community Development Agreement, Environmental Impact Assessment or other plan referred to in this Agreement; and
- (k) other activities which may be incidental and/or conducive to the foregoing and which may be approved by the Company from time to time.

Business Day means a day on which the banks are open for business in **Malawi** other than a Saturday, Sunday or public holiday in Malawi.

Business Development Assistance Plan means the business development assistance plan submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

CGT means Capital Gains Tax.

Change of Control means any assignment, sale, or transfer of interest of any type that results directly or indirectly in a change of possession of the power to Control a Person. A Change of Control of a shareholder, member, partner or joint venturer of a Person will constitute a Change of Control of the Person if such shareholder, member, partner or joint venturer can Control the Person.

Claims means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at Law, in equity, under statute or otherwise.

Commencement of Production means the date on which the first drum of 450 Kgs of yellow cake is produced from the Mining Operation at the Project.

Commercial Production means the earlier of:

- (i) the point at which the plant, equipment and infrastructure relating to the Project has operated for a period of 60 consecutive production days at an average rate of not less than 70% of design capacity which equates to an average 1,700,000 pounds annualised production; or
- (ii) twelve months from Commencement of Production.

The Authority has the meaning given to that term in the Mines and Minerals Act.

Common Control means the circumstances where two or more Persons are Controlled by the same Person.

Community Development Agreement means a community development agreement entered into between the Company and a qualified community in accordance with section 164 of the Mines and Minerals Act.

Community Engagement Plan means the community engagement plan submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Company Shares means fully paid ordinary shares in the capital of the Company.

Confidential Information means, subject to any written law, any information relating to the Company (or its Related Persons) or the Project including, without limitation:

- (a) all surveys, maps, plans, geophysical plots (including magnetics and electromagnetic mapping) and diagrams of the Project;
- (b) where available, all engineering drawings and supporting documentation;
- (c) all drill samples and cores, drilling locations and logs from drilling conducted on the Project;
- (d) all assays, reports, microprobe data, drill core, drill logs, drill pulp, maps and plans, mosaics, aerial photographs, sample and visible grain count listings, geological, geochemical and petrographic samples and reports of or with respect to ores extracted from or located upon the Project;
- (e) all databases, papers, notes, advices and reports extracted or compiled from or based upon the documents and items referred to above and all other data, specification records (in whatever form), reports, accounts and other documents or things and knowledge (whether reduced to writing or not) relating to the Project, including, for the avoidance of doubt, all electronic formats of the same;
- (f) all commercial submissions, tenders and quotes received from potential service providers;



- (g) all data room information and access rights or other equipment or materials upon which such data is stored;
- (h) any third-party information produced in relation to the Project, including any scoping studies, feasibility studies or any other body of work produced with regard to the Project; and
- (i) all Scheduled Plans, mining proposals, mine closure reports and water management plans.

Control means:

- (a) the power (directly or indirectly) whether by the ownership of share capital, the possession of voting power, contract or otherwise to appoint and/or remove all or such of the board of directors or other governing body of a Person as are able to cast a majority of the votes capable of being cast by the members of that board or body, or otherwise to control or have power to control the policies and affairs of that Person; or
- (b) the holding or the ownership of the beneficial interests in or the ability to exercise the voting rights applicable to shares or other securities in any Person which confer in aggregate on the holders, whether directly or by means of holding such interests in one or more other Persons (directly or indirectly), more than 50% of the voting rights exercisable at general meetings of that Person.
Controlled or **Controlled by** shall be construed accordingly.

Dispute means any dispute, disagreement, controversy or claim arising out of or relating to this Agreement, or the interpretation or performance of provisions of this Agreement or the breach, termination or validity of this Agreement or the claim by a Party that it is experiencing hardship.

Employment and Safety Laws means the Mines and Minerals Act, the Occupational Safety, Health and Welfare Act (Cap. 55:07 of the Laws of Malaŵi), the Workers Compensation Act (Cap. 55:03 of the Laws of Malaŵi), the Employment Act (Cap. 55:01 of the Laws of Malaŵi) and the Labour Relations Act (Cap. 54:01 of the Laws of Malaŵi) or any other Law dealing with employment, or occupational safety or health.

Employment and Training Plan means the employment and training plan submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Environment has the meaning given to the term in the Environment Management Act (No. 19 of 2017).

Environmental Impact Assessment means an environmental impact assessment (including a social impact study) submitted to Department of Environmental Affairs of the State by the Company in 2006 in respect of the Licence under applicable Environmental Laws and the Environmental Impact Assessment Guidelines for Mining Projects 2002, as amended from time to time.

Environmental Laws means the Environment Management Act (No. 19 of 2017) and any other written law or regulations in force from time to time in Malaŵi (including the common law) which promotes sustainable management and use of the Environment and natural resources or prevention of harm to the Environment or to human health and/or the provision of remedies for harm or damage to the Environment or to human health, as modified or interpreted pursuant to this Agreement. Such laws include, but are not limited to, the Mines and Minerals Act, Atomic Energy Act (Cap 61:03), Forestry Act (Cap 63:01), Forestry (Amendment) Act (No. 7 of 2020), Water Resources Act (Cap 72:03), Fisheries Conservation and Management Act (Cap 66:05), National Parks and Wildlife Act 1992 (Cap 66:07), National Parks and Wildlife (Amendment) Act (No. 11 of 2017), Protection of Animals Act (Cap 66:01), Plant Protection Act (No.19 of 2018), Noxious Weeds Act (Cap 64:02) and Land Legislation.

Exchange Control Act means the Exchange Control Act (Cap.45:01 of the Laws of Malaŵi).

Execution Date means the date this Agreement is executed by all of the Parties to it.

Expropriation means any of the following:

- (a) the seizure, nationalisation, expropriation or compulsory acquisition by the State of:
 - (A) the capital in the Company; or
 - (B) all or any of the assets that has a material impact on the ability of the Company to conduct the Business (without regard to the ability or ease of replacement thereof); or
- (b) the receipt of a binding order from a governmental agency requiring the Company to sell or divest itself of all or any of the assets that has or would have a material impact on the ability of the Company to conduct the Business.

Fair Market Value means the fair market value agreed between the Parties or as determined by an Independent Expert in accordance with clause 28.

Force Majeure means an event which is beyond the reasonable control of a Party which substantially impairs a Party and makes it practically impossible for that Party to perform its obligations under this Agreement and includes act of war (whether declared or undeclared), invasion, armed conflict, act of foreign enemy, act of terrorism, martial law, military or usurped power, insurrection, revolution, civil disturbances, blockades, riot, embargoes, strikes, lock-outs and other labour conflicts (except where such strikes, lock-outs and other labour conflicts are within the power of the Party invoking clause 32), sabotage, criminal damage, land disputes, epidemics, plague, earthquakes, subsidence, heave, landslip, collapse, mudslide, rock falls, storms, cyclones, floods, unseasonal heavy weather, water bursts, explosions, fires, lightning or other adverse weather conditions, radioactive or chemical contamination or ionising radiation, non-availability of suitable shipping or transport facilities or corridors, fuel, electrical power, gas, water or other utilities, destruction of, damage to or unavailability of materials, equipment or supplies, the result of any customer of the Company failing to take delivery of the Mine Product or confiscation or any

other restriction or action by the State or an agency of any foreign government but does not include:

- (a) any event which is caused by the negligence or intentional action of a Party claiming Force Majeure or such Party's subcontractor, agent or employee;
- (b) any event the possibility of which was reasonably foreseeable by a Party claiming Force Majeure and which could have been avoided or reasonably mitigated by acting on such foresight;
- (c) any event which a diligent Party could reasonably have expected to:
 - (A) take into account at the Execution Date; or
 - (B) avoid or overcome in the carrying out of its obligations under this Agreement; or
- (d) insufficiency of funds or failure to make payment required under this Agreement.

Foreign Currency means any currency other than Malaŵi Kwacha.

Goods and Services Procurement Plan means the goods and services procurement plan submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Gross Revenue means gross revenue actually received from the sale of Mine Product mined or otherwise recovered from the Licence Area.

Hazardous Waste Facility means the hazardous waste facility which must be established in the Licence Area to receive and store radioactive material, which facility must be in compliance with the requirements of the Atomic Energy Act of Malaŵi (Cap 16:11 of the Laws of Malaŵi) and Atomic Energy (Amendment) Regulations 2021 of Malaŵi.

IAEA means the International Atomic Energy Agency.

IFRS means the International Finance Reporting Standards.

Indebtedness means the total of long term or short term interest bearing loans, or non-interest bearing loans.

Independent Expert means such independent person as is appointed in accordance with clause 28.5(a).

International Standards means such practices, methods and acts as are in accordance with the good standards of skill, diligence, judgment, prudence and foresight practiced by prudent professionals of leading international firms in the international mining industry (for example, firms that are members of the International Council on Mining and Metals or the American Association of Cost Engineers), taking into account the relevant circumstances under which Mining Operations are conducted, and, where relevant, the performance standards of

the International Finance Corporation's Policy on Environmental and Social Sustainability.

Investment Commitment means the aggregate of capital expenditure by the Company in the amounts set out in the Scheduled Plans.

Land Legislation means the Land Act (Cap. 57:01 of the Laws of Malaŵi), Lands Acquisition (Amendment) Act, 2017 (No. 9 of 2017) and the Registered Land Act (Cap. 58:01 of the Laws of Malaŵi) and such subsequent Laws as have application.

Law means the Constitution of the Republic of Malaŵi, any statute, decree, instrument, rule, regulation, form, judicial act or decision, judgment, order, proclamation, directive, executive order, treaty, policy or other sovereign act of the Government, excluding licences, Permits, mineral development agreements (including this Agreement) and similar acts of the Government.

Liability includes all liabilities, Losses, damages, costs, interest, fees, penalties, fines, assessments, forfeiture and expenses of whatever description (whether actual, contingent or prospective).

Licence means:

- (a) the large-scale mining licence No. LML0152/07R;
- (b) any mining tenement which may be in force or issued in lieu of or in relation to the same or part of the ground as the tenement referred to in paragraph (a) of this definition; and
- (c) includes all rights to mine and other privileges appurtenant to the tenement and all ore and mineral-bearing material, sand, slimes, tailings and residues of whatsoever nature located on or under the tenement referred to in paragraph (a) of this definition.

Licence Area means the land area underlying the Licence and any New Uranium Licence (as applicable).

Life of Mine means the period starting at the Commencement of Production and ending on the permanent cessation of Mining or Processing, whichever is the later.

Loss means, in relation to any person, damage, loss, cost, tax, expense or liability incurred by that person, however arising (including contractual, tortious, legal, equitable or pursuant to statute).

Lotus means Lotus Resources Limited ACN 119 992 175, being an entity incorporated in Australia and listed on the Australian Securities Exchange.

Mine means that part of the Licence Area on which the Company establishes and conducts Mining Operations.

Minegate means point at which the mine access road reaches the end of the Licence Area.

Mine Product means Yellowcake produced from Mining Operations in the Licence Area, which is intended to be sold for value.



Mine Site Plan means the mine site plan in submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Mine Waste Management Plan means the mine waste management plan submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Mineral means uranium bearing minerals including, but not limited to uraninite, coffinite and brannerite located in the Licence Area.

Mineral Legislation includes any Law governing one or more of the matters provided for in this Agreement, including the Mines and Minerals Act and Environmental Laws, as well as any Law that may amend or replace the same in the future.

Mineral Resources Committee means the committee established pursuant to section 5 of the Mines and Minerals Act.

Mines and Minerals Act means the Mines and Minerals Act, 2023 (Act No. 25 of 2023).

Mining has the meaning ascribed to it under the Mines and Minerals Act.

Mining Operations means the undertaking of exploration, design, development, construction, commissioning, maintenance, Mining, Processing, transportation and rehabilitation operations on the Licence Area and in connection with the extraction and sale of Mine Product, including:

- (a) exploration for, and development of, a Mineral resource;
- (b) commercial operations of the Project carried on in accordance with the Scheduled Plans and all related activities of the Company carried on in Malaŵi and in accordance with applicable Laws;
- (c) operation of Mining fleets whether at the Mine or for transit to or from the Mine;
- (d) management of Mineral exploration activities, Mining and Processing;
- (e) operation of the Hazardous Waste Facility;
- (f) the development and operation of a facility for the generation and transmission of electricity to be consumed in the production of Mine Product; and
- (g) any other activity ancillary to the activities set out at paragraphs (a) to (e) (inclusive) of this definition.

Mining Operations Plan means the plan of proposed Mining Operations submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Mining Water Requirements has the meaning given in clause 12.1.

Minister means the minister in charge of the Ministry responsible for mining and mineral resources and **Ministry** has a corresponding meaning.

MSE means the Malaŵi Stock Exchange licenced under the Financial Services Act (Cap 44:05) and operating under the Securities Act (46:06) and the Companies Act (Cap 46:03).

New Issue has the meaning given in clause 4(b).

New Other Minerals Licence has the meaning given in clause 3.6.

New Uranium Licence has the meaning given in clause 3.5(b).

Notice of Dispute has the meaning given in clause 28.2.

Paladin Shareholders Deed means the shareholders deed in respect of Paladin (Africa) Limited between the Government, Paladin Energy Minerals NL, PEM Malaŵi Pty Ltd and Paladin (Africa) Limited dated on or around April 2009.

Parties means the parties to this Agreement and **Party** means any one of them.

Permit includes any lease, licence, right, easement, right of way, wayleave, consent, permit, authorisation, approval, certificate or visa.

Permitted Transferee is a Person permitted to enter into this Agreement pursuant to the Mines and Minerals Act who:

- (a) is not a Prohibited Person;
- (b) does not have an officer or director who is a Prohibited Person; and
- (c) is not Controlled by a Prohibited Person.

Person means any natural person and any partnership, joint venture, corporation, limited liability company, trust, estate or other organization or entity, and any branch, division, political sub-division, instrumentality, authority or agency of any government or State.

Point of Sale means the conversion facility or other location stipulated as the point at which the title and risk to the Mine Product passes to the customer in the contract for the sale of Mine Product.

Processing means any process by which Mine Product or third-party product as contemplated in clause 3.9 is produced from ore which process may include, without limitation, crushing, grinding, sizing, milling, leaching, precipitation, gravity and magnetic separation, flotation and other similar treatment process.

Processing Facility means the plant and associated infrastructure constructed on the Licence Area for the purposes of carrying out the Processing.

Prohibited Person means a Person:

- (a) who is identified on a Sanctions List;
- (b) who is identified on the Interpol Red Notice List;

- (c) who is the subject of an arrest warrant issued by the International Criminal Court;
- (d) who is identified on the World Bank ineligible firms list;
- (e) who is identified on the European Union Sanctions list;
- (f) who is identified on any of the following lists maintained by the United States government:
 - (i) the United States Department of Commerce Denied Persons list;
 - (ii) the United States Department of the Treasury Specially Designated Nationals and Blocked Persons lists;
 - (iii) United States Department of State Foreign Terrorist Organizations list; or
 - (iv) the Financial Action Task Force on Money Laundering list of non-cooperative countries or territories;
- (g) any Person Controlling, Controlled by or under Common Control by any Person listed in paragraphs (a) to (e) of this definition; or
- (h) any Person that issues bearer shares or other instruments to evidence ownership of such Person that do not permit the identification of the owners of such Person.

Project means the Kayelekera Uranium Project located in Malaŵi, Africa and comprising of the Licence and the Additional Licences.

Project Lenders means Shareholders, third party international or domestic project financiers who lend money to the Company or its Related Persons for the purposes of the Company developing the Project.

Qualifying Mine Closure Fund has the meaning given in clause 20.2(c).

Rehabilitation and Mine Closure Plan means the rehabilitation and mine closure plan submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Registrar has the meaning given in the Mines and Minerals Act.

Related Person means with respect to a Person:

- (a) any Person:
 - (i) Controlled by such Person;
 - (ii) Controlling such Person;
 - (iii) associated with such Person through business or company;
 - (iv) under Common Control with such Person; or
 - (v) a subsidiary and parent company; and

- (b) any natural Person who is a:
 - (i) a director or officer of either the Company, a Shareholder of the Company, or any Related Person to the Company; or
 - (ii) an immediate family member of a director or officer of either the Company, a Shareholder, or a Related Person to the Company.

Reserve Bank means the Reserve Bank of Malaŵi or any successor of it or any assignee of any of its functions.

Resettlement Management Plan means the resettlement management plan submitted by the Company in accordance with the Mines and Minerals Act and approved by the Mineral Resources Committee, as may be updated or revised in accordance with the Mines and Minerals Act.

Resource Rent Tax means the tax set out in the Eleventh Schedule and Sixteenth Schedules of the Taxation Act or any other similar tax or levy.

Royalty has the meaning given in clause 21.1.

Sanctions Authority includes the following:

- (a) the Republic of Malaŵi;
- (b) the United Nations;
- (c) the United Kingdom;
- (d) the European Union;
- (e) the Commonwealth of Australia; and
- (f) the United States of America.

Sanctions Laws means the economic, trade or financial sanctions, laws, regulations, requirements, embargoes, or restrictive measures imposed, administered, enacted, or enforced from time to time by any Sanctions Authority.

Sanctions List means any list of persons or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority.

Scheduled Plans means the plans detailed in clauses 3.2(e) to 3.2(m) (inclusive) as amended from time to time.

Shareholder means any Person holding Company Shares from time to time.

Speculative Currency Transaction means a transaction involving the purchase or sale of Malaŵi kwacha, the primary object of which is the making of a profit on the exchange of currency, but does not include the taking out of forward cover against reasonably predictable inflows or outflows.

Stability Term has the meaning ascribed to it in the 16th Schedule of the Taxation Act and extends to the other Taxation Legislation, subject to clause 20.10 shall commence on the Execution Date and end on the 10th anniversary of the Execution Date, unless otherwise agreed between the Parties.

Surplus Electricity means any proportion of electricity generated by the Company which it may not require for the purposes of supplying electricity to the Project as required for the Mining Operations.

Taxation Legislation includes the following Acts listed below:

- (i) Taxation Act (Cap 41:01);
- (ii) Value Added Tax Act (Cap 42:02);
- (iii) Customs and Excise Tax Act (Cap 42:01);
- (iv) Tax Administration Act (Act No. 13 of 2021);
- (v) Malaŵi Revenue Authority Act (Cap 39:07);
- (vi) Revenue Appeals Tribunal Act (Act No. 14 of 2021);
- (vii) Stamp Duties Act (Cap 43:01);
- (viii) Estate Duties Act (Cap 43:02).

Tax Refund has the meaning given in clause 20.11.

Term has the meaning given in clause 31.1.

Term Contract means an agreement to sell Mine Product in which the volume and delivery periods are fixed in advance, but the delivery price is calculated at the time of each delivery by reference to a price formula specified in the contract, which may comprise a combination of a fixed price, published market price indices and sometimes include a floor and ceiling price component, which may or may not be subject to escalation.

Transfer means and includes a sale, assignment, pledge or other transfer of property, by operation of Law or otherwise.

Treaty means the Treaty on the Non-Proliferation of Nuclear Weapons.

Yellowcake means a concentrate of uranium ore which is ready to be dispatched for sale.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) references to a recital, clause, schedule, annexure or exhibit is to a recital, clause, schedule, annexure or exhibit of or to this Agreement;
- (b) a reference to this Agreement or another instrument includes any variation or replacement of any of them;
- (c) a reference to any statute shall include any amendment, replacement or re-enactment of such statute for the time being in force and any bylaws, statutory instruments, rules, regulations, notices, orders, directions, consents or permissions made under such statute whether by gazetting or by notification to selected parties and any conditions attaching to them;
- (d) words importing the singular include the plural and vice versa;



- (e) a reference to any gender includes all genders;
- (f) a reference to a person includes a reference to the person's executors, administrators, substitutes, successors and permitted assigns;
- (g) a reference to a person further includes an individual, partnership, company, corporation, trust, society, organisation, authority and association;
- (h) a covenant, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;
- (i) a covenant, representation or warranty on the part of two or more persons binds them jointly and severally;
- (j) the headings in this Agreement shall not affect its interpretation;
- (k) without derogating from the effect and operation of clauses 2, 27, 33 and 39.1, if there is any inconsistency between the terms of this Agreement and a Law then this Agreement or the relevant provision of it shall be read down to the extent of the inconsistency to ensure that this Agreement is not otherwise rendered void or unenforceable; and
- (l) in the interpretation of this Agreement, no rules of construction shall apply to the disadvantage of one Party on the basis that that Party put forward this Agreement or any part of this Agreement.

2 Commencement and Enforceability

- (a) This Agreement is binding on the Parties on and from the Execution Date.
- (b) By executing this Agreement:
 - (i) the Minister of Mining hereby confirms, on behalf of the State, its agreement to the terms and conditions of this Agreement (including the fiscal regime detailed in this Agreement); and
 - (ii) the Minister of Finance and Economic Affairs hereby confirms his assent to the fiscal regime detailed in this Agreement.

3 Licence

3.1 Licence

- (a) The Parties acknowledge that the State has granted the Licence to the Company.
- (b) The State acknowledges that all notifications required to be given, or consents and approvals required to be obtained, by the Company prior to the Execution Date under the Mines and Minerals Act relating to, or in connection with, the Company, its operations or the Licence were validly given, or obtained, by the Company.
- (c) By granting the Licence the Company is granted sole and exclusive:

- (A) rights to explore, Mine, utilise, Process, refine, market, transport, export and dispose of Minerals, Mine Products and by-products that may be derived or produced from the Licence Area, subject to applicable Law.
- (B) title to the Minerals upon extraction from the Licence Area.

3.2 Terms of the Licence

The Licence, as approved, includes:

- (a) a licence certificate signed by the Minister;
- (b) an Environmental and Social Impact Assessment Report;
- (c) a certificate of approval of a project under the Environment Management Act (Act No.19 of 2017);
- (d) an Environment and Social Management Plan;
- (e) a Mine Site Plan;
- (f) a Mining Operations Plan;
- (g) a Community Engagement Plan;
- (h) an Employment and Training Plan;
- (i) a Goods and Services Procurement Plan;
- (j) a Resettlement Management Plan;
- (k) a Mine Waste Management Plan;
- (l) a Rehabilitation and Mine Closure Plan;
- (m) a Business Development Assistance Plan; and
- (n) Community Development Agreements,

as detailed in Schedule 2 (as amended from time to time in accordance with the Mines and Minerals Act).

3.3 Mines and Minerals Act

The Parties acknowledge that they shall be bound by the terms and conditions of this Agreement provided that such terms and conditions comply with the provisions of the Mines and Minerals Act.

3.4 Inclusion of Additional Minerals

The State will, in good faith and in a timely manner, consider any application made by the Company for inclusion of minerals other than uranium in the Licence in accordance with the Mines and Minerals Act, and upon the grant of such application, the Company shall be entitled to mine any such additional minerals in accordance with the Mines and Minerals Act.

3.5 Other Mineral Rights

- (a) The State acknowledges that the Company may carry out exploration for uranium within the area of the Additional Licences.
- (b) The State will, in good faith and in a timely manner, consider any application made by the Company to convert all or any part of the Additional Licences to a mining licence for uranium in accordance with the Mines and Minerals Act, and upon the grant of such mining licence (**New Uranium Licence**), the New Uranium Licence will be subject to this Agreement, unless otherwise agreed between the Parties.

3.6 Additional mineral Licences and additional Minerals

If, during the course of the exploration or mining, the Company makes a discovery of minerals (other than uranium) within the boundaries of the Additional Licences; and makes application for a mining licence in respect of the discovery referred to in clause 3.4 in accordance with the Mines and Minerals Act (New Other Minerals Licence); then following the grant of the New Other Minerals Licence or the inclusion of additional minerals in the Licence, such New Other Minerals Licence or additional minerals will be subject to the Mines and Minerals Act and the Parties will consider in good faith whether, and on what basis, the New Other Minerals Licence or additional minerals may become subject to this Agreement, and unless the Parties agree otherwise, this Agreement shall not apply to that New Other Minerals Licence and additional minerals.

3.7 Cancellation and Suspension

The State shall, subject to complying with the process set out in clause 28 or 29 (Settlement of Disputes), as the case may be, have the power to order the cancellation or suspension of the Licence only if:

- (a) a gross disregard of material provisions of the Mines and Minerals Act has occurred; and
- (b) there exists no other practical remedy other than a cancellation or suspension of the Licence.

3.8 Production Levels

- (a) The Parties acknowledge that the Company may curtail production as it deems fit. The Parties further acknowledge that the Company may suspend production or the Mining Operations:
 - (A) immediately, where the matter is an emergency; or
 - (B) from time to time due to events of Force Majeure or other factors beyond the Company's control (including, a fall in Mineral prices resulting in Mining Operations becoming uneconomic).
- (b) The Company shall notify the Authority of the cessation, suspension or curtailment of Mining Operations within 30 days of such cessation, suspension or curtailment occurring. The notice shall provide an



explanation for the cessation, suspension or curtailment of Mining Operations.

- (c) The State agrees to reduce, vary or suspend, as necessary, any obligations of the Company under this Agreement or at Law that cannot be met as a result of such cessation, suspension or curtailment of Mining Operations, and any time period associated with any such obligation shall be extended by the period of such cessation, curtailment or suspension, as the case may be. The State agrees that no direction to resume Mining Operations shall be given by the State in any circumstances.
- (d) If the Company wishes to curtail or suspend production as a result of:
 - (A) economic or marketing conditions that, at the time, are such that the mining operation is not economically viable; or
 - (B) difficulties in obtaining requisite approvals which prevent mining or restrict it in a manner that is, or subject it to conditions that are, for the time being, impractical,

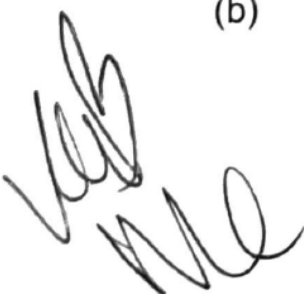
the Company will apply for a variation to its Scheduled Plan (as relevant) in accordance with the Mines and Minerals Act, and clause 6.3 shall apply.

3.9 Processing and Use Rights

- (a) The Company may enter into a contract to process Minerals discovered by a third party outside the Licence Area using the Processing Facility and the provisions of this Agreement shall apply to the extent appropriate to that part of the Mining Operations being conducted by the Company in respect of such Minerals, but the third party shall not be directly entitled to the benefits of this Agreement.
- (b) Prior to commencing Processing pursuant to clause 3.9(a), the Company shall comply with section 180 of the Mines and Minerals Act and the State shall give it support to such arrangements.

4 State Equity

- (a) The Parties acknowledge that, as at the Execution Date, the ownership of the Company comprises of:
 - (A) 884 Company Shares, representing an 85% equity interest, held by Lily Resources Limited; and
 - (B) 156 Company Shares, representing a 15% equity interest, held by the State.
- (b) If any additional Company Shares are issued to any Party during the Term (**New Issue**), the Company shall, at no additional cost to the Government, issue such number of Company Shares to the State to ensure the State maintains its percentage equity interest in the capital of the Company as it was immediately before the New Issue.



5 MSE Listing

Following the Execution Date, the Company undertakes to procure Lotus to list on the MSE as soon as possible but not later than 36 months and in accordance with the official listing rules of the MSE and applicable Law provided that the relevant laws do not conflict with Lotus' existing compliance regime or create additional liabilities or unreasonable burdens on Lotus.


6 Operations and Investment Commitment

6.1 Operations

- (a) The Company shall implement and conduct the Mining Operations Plan in accordance with the Mining Operations Plan and International Standards.
- (b) The Company agrees to recommence substantial Mining Operations within a timely manner from the Execution Date.
- (c) Where events beyond the reasonable control of the Company (including events of Force Majeure) result in the Company not being in a position to recommence substantial Mining Operations within 24 months from the Execution Date, the State agrees to extend, or will procure the extension of, the period for commencing substantial Mining Operations.
- (d) The State acknowledges that, without limitation, compliance with the Scheduled Plans will be deemed to constitute compliance with the Mines and Minerals Act provided that the Company is otherwise in compliance with the requirements of this Agreement.
- (e) Any Mining Operations undertaken by the Company in accordance with the Scheduled Plans and applicable International Standards are prima facie deemed not to constitute poor or wasteful mining or treatment practices for the purposes of the Mines and Minerals Act, provided that the Company is otherwise in compliance with the requirements of this Agreement.

6.2 Investment Commitment

- (a) The Company shall expend the Investment Commitment substantially in the manner and on the terms set out in the Scheduled Plans.
- (b) The Company's obligation to expend the Investment Commitment in accordance with clause 6.2(a) shall be suspended where an event of Force Majeure has occurred and for so long as such event of Force Majeure is continuing.
- (c) Any disagreement in relation to the manner, terms, timing or amount of expenditure of the Investment Commitment may be referred by either Party to the Independent Expert in accordance with clause 28.
- (d) Any failure by the Company to expend the Investment Commitment does not give the State a right in damages against the Company but gives to



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the State a right to terminate this Agreement in accordance with clause 31.3(d).

6.3 Variations to Scheduled Plans

- (a) The Scheduled Plans may be updated or revised from time to time in accordance with the Mines and Minerals Act.
- (b) The State shall not suspend or cancel Mining Operations pending approval of any amendments to the Scheduled Plans unless:
 - (i) immediate action is required to prevent harm to the Environment, property or persons or to remedy or mitigate any such harm and, following the giving of notice to the Company, the Company refuses to take such action; or
 - (ii) there has been an arbitration in accordance with clause 29.2 following the exhaustion of all available appeals under the Mines and Minerals Act and the Arbitrator has determined that a suspension of Mining Operations ought to be ordered pending agreement between the Parties in respect of the relevant Scheduled Plan.
- (c) Once approved, the amended Scheduled Plans shall become a part of this Agreement.
- (d) In the case of a conflict between any Scheduled Plans and the applicable Law, the applicable Law shall prevail.
- (e) Without limiting the rights of the Company under this Agreement, if the Company makes an application to update or vary any of the Scheduled Plans, the State will provide the Company with all reasonable assistance in connection with the application and will do all within its power to procure the approval of the application by the relevant decision maker, provided that the Company is making the application on the basis of sound mining and economic practices.

6.4 Inspections

- (a) The State shall have full rights under the Mines and Minerals Act and any other applicable Law to carry out inspections of the Company's activities on the Licence Area in order to ensure the Company is discharging its obligations under this Agreement provided that the representatives of the State who are to carry out such inspections strictly observe the lawful directions of the Company's mine manager or authorised representative.
- (b) Nothing in this Agreement shall limit the right of authorised Security agencies from accessing or inspecting facilities and Mining Operations of the Company in order to investigate criminal or other security matters.

7 Import, Sale and Export

7.1 Imports and Exports

Subject to clauses 16 and 20, the Company may import and export materials or consumables to be used in the Mining Operations or in the implementation of the Scheduled Plans, subject to the issuance of any requisite Permits by the Government, which the State shall do in a timely manner and provided that the State has not notified the Company that the import and export of such materials and equipment would give rise to the matters specified in clause 7.2(b)(C).

For the avoidance of doubt this includes materials, consumables and items of plant and equipment that may need to be repaired to be reused in the Mining Operations.

7.2 Mine Product

- (a) The Company may market (directly or through an Affiliate Company) and sell and export the Mine Product.
- (b) The Company will have sole control and management of the sale and if applicable, export of Mine Product, including by Term Contract, provided that:
 - (A) the sale and, if applicable, the export are on Arm's Length Terms;
 - (B) the Company complies with clause 0 and if applicable clause 7.5;
 - (C) the State has not notified the Company that the sale or, if applicable, the export would:
 - (I) breach an obligation of the State arising under international law (including Sanctions Laws); or
 - (II) result in dealing or contracting with nationals of a state with which the State is in a state of declared war; and
 - (D) the Company has obtained the necessary Permits.

7.3 Sales Contracts

The Company covenants in favour of the State that each sales contract for the Mine Product will:

- (a) for the purposes of identifying the Minerals on which the Royalty is payable, identify the Minerals within the Mine Product to which a commercial value is being attached and what that commercial value is; and
- (b) identify any obligation on the Company to either retain or have transferred to it, and then to receive and store radioactive materials and

waste resulting from the further processing of Mine Product within Malaŵi if that was to occur.

7.4 Affiliate Contracts

- (a) The Company may enter into any Affiliate Contract subject to approval by the board of directors of the Company, and a copy of the Affiliate Contract shall be provided to the Government.
- (b) If the State forms the view (acting reasonably and in good faith) that an Affiliate Contract is not on Arm's Length Terms, then:
 - (A) the State may object, by written notice to the Company, to the Affiliate Contract within 60 days of receipt of such Affiliate Contract; and
 - (B) either Party may refer the matter to the Independent Expert for resolution in accordance with clause 28.
- (c) If the State fails to object to the Affiliate Contract within 60 days of receipt of such Affiliate Contract, the Company may proceed with the sale. However, in the event that State discovers that the terms of the Affiliate Contract may not have been based on Arm's Length Terms, then the State is at liberty to take remedial measures in accordance with applicable laws.

7.5 Transportation Procedure

- (a) The Company shall keep all Mine Product and any radioactive materials and waste under adequate security having regard to the type of Mine Product or radioactive materials and waste, as the case may be, both on the Licence Area or when being transported.
- (b) The Company shall record accurate weights of and details of the form of:
 - (A) the Mine Product; and
 - (B) radioactive materials and waste product as part of the Processing or otherwise received at the Hazardous Waste Facility,with copies to be supplied to the Authority at the time of consignment or as otherwise agreed between the Parties.
- (c) The Company shall submit a procedure for safeguarding the Mine Product and any radioactive materials and waste to the State for approval (such approval not to be unreasonably withheld or delayed).

7.6 Crossing Borders

- (a) The State must use its Best Endeavours to assist the Company, if it requests, to obtain transit or export Permits from other countries to export Mine Product from Malaŵi through State negotiated transport corridors across Mozambique, Namibia, Tanzania or Zambia to ports in those countries or by agreement through other countries to a port or to a purchaser.



- (b) The State is not required to incur any costs other than those ordinarily incurred when participating in diplomatic exchanges.

7.7 Radioactive Materials – Codes and Legislation

- (a) In relation to any radioactive material, the Company shall comply with the Atomic Energy Act of Malaŵi (Cap. 61:03 of the Laws of Malaŵi) and any other relevant laws in Malaŵi.
- (b) Notwithstanding any other provision of this Agreement, to the extent not inconsistent with the Atomic Energy Act and any other relevant laws, the Company in relation to any radioactive material shall, to the extent applicable, observe and shall cause its contractors and agents to observe the following codes and any amendments thereof and any codes substituted therefore:
 - (A) “Occupational Radiation Protection in the Mining and Processing of Raw Materials”, IAEA Safety Guide No. RS-G-1.6 published by the International Atomic Energy Agency Vienna 2004;
 - (B) “Regulations for the Safe Transport of Radioactive Material”, IAEA Safety
 - (C) Guide No TS-R-1 published by the International Atomic Energy Agency Vienna 2005;
 - (D) “Management of Radioactive Waste from the Mining and Milling of Ores”,
 - (E) IAEA Safety Guide WS-G-1.2 published by the International Atomic Energy Agency Vienna 2002;
 - (F) the Malaŵi Bureau of Standards on transportation of hazardous materials and the Occupational Safety, Health and Welfare Act (Cap. 55:07 of the Laws of Malaŵi), provided these standards do not compromise the IAEA Safety Guide WS-G-1.2;
 - (G) the Code of Practice on Radiation Protection in the Mining of Radioactive Ores which was drawn up by the Commonwealth in accordance with the recommendations of the International Commission on Radiological Protection; and
 - (H) any other relevant and applicable code.
- (c) The Parties acknowledge that Malaŵi is a signatory to the Treaty and the State covenants with the Company that it will:
 - (A) do all necessary to expeditiously conclude all appropriate safeguard systems and regulations to enable Malaŵi to meet the requirements which are required to ensure Mine Product can be transported internationally and if possible, designated as Yellowcake for peaceful purposes;



- (B) do all appropriate to ensure it has in place the appropriate administrative procedures to satisfy the Government's obligations under the Treaty;
- (C) use Best Endeavours to enter into whatever agreements and pass whatever Laws are necessary to give effect to any international treaty or protocol which has, or may have, impact on the mining, treatment, storage or sale of Yellowcake which fully satisfies the IAEA requirements for a country producing and exporting Yellowcake; and
- (D) consult with its neighbouring countries through which Mine Product shall pass to ensure the Mine Product can be transported to the purchasers of the Mine Product.

8 Land and Infrastructure

8.1 Access

- (a) The Company shall allow the public and the State to use, free of charge, any roads within the Licence Area constructed and/or maintained by the Company which by custom and practice have been freely available for public use, provided that:
 - (A) such use does not unduly prejudice the security of the Project;
 - (B) such use does not unduly prejudice or interfere with the Mining Operations;
 - (C) the Company may restrict access or limit the use of such roads in the interest of public health and safety; and
 - (D) the Company shall use reasonable efforts to minimise restrictions and provide alternative access roads every time it restricts or limits the use of roads pursuant to clause 8.1(a)(C) above.
- (b) The Company may in its sole discretion allow the public to have access over the Licence Area, provided that:
 - (A) such access does not unduly prejudice the security of the Project;
 - (B) such access does not unduly prejudice or interfere with the Mining Operations; and
 - (C) the Company may restrict or limit such access, in the interest of public health and safety.

8.2 Communications

- (a) If requested by the Government, the Company shall allow the State to place, or permit placement on behalf of the State, for a reasonable charge and at the Government's expense, telephone wires on the poles

of any lines of the Company, provided that such installation is carried out with prior notice to the Company, in co-operation with the Company and does not unduly interfere with the Company's efficient use of such poles and lines.

- (b) The State shall use its Best Endeavours to assist the Company in obtaining any Permits from the Malaŵi Communications Regulatory Authority to establish and operate satellite and other wireless communications both within Malaŵi and internationally.

8.3 Permits

- (a) The State will use its Best Endeavours to assist the Company in obtaining any Permits required under the Mines and Minerals Act, and any other applicable Law.
- (b) The Company may from time to time make application to the State for the grant to it of any Permit under the applicable Laws necessary to:
 - (i) permit the Company to perform any of its obligations under this Agreement;
 - (ii) export Mine Product from Malaŵi;
 - (iii) import into Malaŵi;
 - (A) materials or other consumables to be used in the Mining Operations or to implement the Scheduled Plans; and
 - (B) geological samples or products arising from the testing of geological samples where the Company previously exported such geological samples from Malaŵi;
 - (iv) transport Mine Product and radioactive material and waste; and
 - (v) store radioactive material and waste in the Hazardous Waste Facility.
- (c) The Parties acknowledge that this Agreement does not deal with every Permit which may be required to establish the Project and undertake the Business. To the extent any such Permit is required, the State shall consider any application for such Permit in good faith and in a timely manner.

8.4 Zoning

The State shall ensure after consultation with the relevant District council and Authority for Lands that the area and part thereof under the Licence Area and any lands the subject of any Permit granted to the Company under applicable Laws, shall to the extent required be and remain zoned for use or otherwise protected during the currency of the Permit so that the Mining Operations may be carried out on such land in conformity with existing Laws and that any interference or interruption by the Government or any other Party be done in conformity with existing Laws.



8.5 Resettlement

- (a) If work to be carried out by Company requires the resettlement of any bona fide persons on the site to some alternative location within or outside the Licence Area, then:
- (i) the Company may proceed with resettlement activities in accordance with the Resettlement Management Plan;
 - (ii) the Company shall:
 - (A) meet the appropriate costs of such resettlement, as provided for in accordance with the relevant State policy, determined by the Minister responsible for land matters or local government authority as the case may be; and
 - (B) pay any compensation which must otherwise be payable pursuant to the Land Legislation; and
 - (iii) the Company in consultation with State shall do all that is reasonably necessary to expand existing townships or establish new townships for such resettlement.
- (b) Subject to clause 8.5(a), if the Company causes **disturbance to any** village infrastructure, the Company shall **replace such infrastructure, and** pay compensation to the affected people in accordance with applicable Law.
- (c) Each Party shall use its Best Endeavours to give effect to this clause 8.5 and to enable the other to obtain a determination of compensation and, if required, the resettlement of any affected owners or occupiers in a timely manner.

8.6 Project Protection

Following the resettlement of the affected people as provided for in clause 8.5(a) until the expiry of the Term, the State shall not without consent of the Company, which consent shall not be unreasonably withheld or delayed:

- (a) re-occupy or permit to be re-occupied any part of the Licence Area, including without limitation works, installations, plant, equipment or other property located on the Licence Area, whether owned, leased or licensed by the Company; or
- (b) create or grant or permit to be created or granted any Permit of any nature or kind whatsoever over or in respect of any lands which would unduly prejudice or interfere with the Mining Operations.

8.7 Disturbance

Following the resettlement of the affected people as provided for in clause 8.5(a) until the expiry of the Term:

- (a) the State shall at the request of the Company facilitate the removal of any unauthorised person from the Licence Area, including any unauthorised structure, the contents of that structure and any materials



or fixtures in the area of the structure. The Company shall not be responsible for the costs of such removal;

- (b) if the Company causes damage to any crops, trees, buildings, stock or works outside the Licence Area, then the Company shall be liable to that party in accordance with section 225 of the Mines and Minerals Act; and
- (c) if disturbance or damage is caused to land, the Company shall pay compensation in accordance with Environmental Laws and any other applicable Law.

8.8 General

- (a) In accordance with the Scheduled Plans, the State shall permit the use of the land by the Company for such periods and on such terms and conditions (including price, rent and renewal) as are reasonable having regard to the requirements of the Company and as are consistent with the terms of this Agreement and approved proposals. Such permission shall be for the Mining Operations, including but not limited to those required for accommodation areas, conveyors, private roads, tailings areas, water pipelines, pumping installations and reservoirs, power transmission lines, radio and communication sites, plant site areas and borrow pits for stone, sand, clay and gravel.
- (b) Without limitation to clause 8.8(a), the State agrees to declare the land (excluding the land underlying the Licence and the Additional Licences) as public land and grants a licence to the Company, subject to applicable Laws.

9 Roads

9.1 Public Roads

- (a) The State must use its Best Endeavours to maintain or cause to be maintained those public roads under the control of the State which the Company wishes to use in its Mining Operations (including, but not limited to the Karonga / Chitipa Road) and such maintenance shall be to a standard of a main road contemplated under section 3(1)(a) of the Public Roads Act (Cap. 69:02 of the Laws of Malaŵi).
- (b) The State will support initiatives to improve supporting infrastructure and essential services.
- (c) The State shall use Best Endeavours to assist the Company in procuring any wayleaves, easements or other rights over land required for the purposes of designing, constructing, commissioning, operating and /or maintaining any public road.

9.2 Private Roads

- (a) The Company may at its own cost design, construct, commission, operate and maintain all private roads used in its Mining Operations and the standard of such roads shall be equivalent to that applying to similar private roads in Malaŵi.



- (b) The Company shall at its own cost erect signposts and take other steps that may be reasonable in the circumstances to prevent any persons and vehicles from using its private roads.
- (c) The Company shall, at any place where its private roads cross any public railways or public roads, at its own cost erect signposts and take other steps reasonably required by the Government.
- (d) Where a private road is used in the Mining Operations and is reasonably required for public use, the State may, after consultation with the Company, resume and gazette such road as a public road, provided that:
 - (A) clause 9.1 applies to such public road;
 - (B) resumption and gazetting is carried out in co-operation with the Company;
 - (C) resumption and gazetting does not unduly prejudice or interfere with the Mining Operations;
 - (D) resumption and gazetting does not unduly degrade security of any part of the Project; and
 - (E) in the interest of public health and safety, the Company may restrict access to or limit the use of such road.

10 Aerodrome

- (a) The State must use its Best Endeavours to maintain the existing aerodrome facilities in Karonga to a standard that allows access for aircraft of an appropriate size to meet the needs of the Company.
- (b) If the Company requires any aerodrome facilities or services for its Mining Operations, the Company shall confer with the State and the State shall use its Best Endeavours to assist the Company in securing rights to obtain the aerodrome facilities and services it requires. Nothing in this clause 10 shall be construed to require the abrogation or modification of any contractual obligation of the State to any Person holding aerodrome rights.
- (c) Without limiting clause 10(a), the Parties shall confer with one another regarding upgrades to existing aerodrome facilities and services in the Karonga district that the Company considers it requires as a result of the Business, and the State must use its Best Endeavours to assist the Company to obtain the facilities and services it requires.

11 Electricity

11.1 Electricity Supply

- (a) For the purposes of supplying electricity to the Project as required for the Mining Operations, the Company may do one or more of the following:
 - (i) secure electricity from the distribution licensee;

- (ii) purchase electricity from any distribution or generation licensee at tariffs and on terms and conditions to be agreed between that distribution or generation licensee and the Company in accordance with the Electricity Act (Cap. 73:01) and the Energy Regulation Act (Cap. 73:02); and/or
 - (iii) generate its own electricity for its own consumption from a facility constructed by or on behalf of the Company under the Energy Regulation Act (Cap. 73:02).
- (b) If the Company generates its own electricity in accordance with clause 11.1(a)(iii), it:
 - (i) is entitled to consume electricity it generates without first having to sell it to the single buyer licensee; and
 - (ii) may sell Surplus Electricity to the single buyer licensee, at a tariff and on terms and conditions to be agreed between that transmission licensee and the Company in accordance with the Electricity Act (Cap. 73:01) and the Energy Regulation Act (Cap. 73:02).

11.2 State Obligations

- (a) The State shall use its Best Endeavours to assist the Company to procure the supply of electricity it requires under this clause 11, including, subject to Company's compliance with the requirements of applicable Law, the grant of any Permit which the Company or the Person referred to in clause 11.1(a) requires under the Electricity Act (Cap. 73:01) or the Energy Regulation Act (Cap. 73:02).
- (b) The State shall use its Best Endeavours to assist the Company to procure any wayleaves, easements or other rights over land required for the purposes of transmitting electricity on reasonable terms.

12 Water

12.1 Water Requirements

- (a) The Parties shall agree upon the amounts (and qualities) of the Company's annual and maximum daily water requirements for use in the Mining Operations (**Mining Water Requirements**).
- (b) To meet the Mining Water Requirements, and to the fullest extent reasonably practical and economically viable, the Company shall take and use water obtained from the following sources according to the following priority:
 - (i) first, water obtained from pit dewatering in the Licence Area;
 - (ii) second, water obtained from the North Rukuru, Sere or Muswanga Rivers and other surface water courses, in accordance with clauses 12.1(c), 12.1(d), 12.1(e) and 12.1(f); and

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- (iii) third, water obtained from groundwater sources other than in the pit dewatering referred to in subparagraph (i) in accordance with 12.1(c), 12.1(d), 12.1(e) and 12.1(f), and the State shall grant, or procure the grant, to the Company all Permits necessary for the drawing and usage of water contemplated in this clause 12.1(b).
- (c) If the Company draws and uses water from the North Rukuru, Sere or Muswanga Rivers or other surface water courses or groundwater sources other than the pit dewatering referred to in clause 12.1(b)(i), the Company shall:
- (i) pay a fee to be agreed with the State for that water, such fee to comply with the Water Resources Act (Cap. 72:03 of the Laws of Malaŵi) or other applicable Law;
 - (ii) draw and use that water in co-operation with the State to ensure good water resource management as the State may, from time to time, require;
 - (iii) employ and retain experienced hydrological consultants to investigate on the sustainability of taking such water;
 - (iv) furnish to the Minister responsible for the administration of the Water Resources Act (Cap. 72:03 of the Laws of Malaŵi) details of the results of those investigations; and
 - (v) cease to draw or use that water if it no longer holds the relevant Permit.
- (d) If the investigations referred to in clause 12.1(c) demonstrate to the satisfaction of the Minister responsible for the administration of the Water Resources Act (Cap. 72:03 of the Laws of Malaŵi), acting reasonably, that water from the North Rukuru, Sere or Muswanga Rivers or other surface water courses or the groundwater sources other than the pit dewatering referred to in clause 12.1(b)(i) can continue to be drawn and used by the Company without seriously affecting the sustainability, quality or availability (to the extent utilised by local villagers) or quality of water in the adjacent areas, but that the North Rukuru, Sere or Muswanga Rivers or other surface water courses or the groundwater sources other than pit dewatering referred to in clause 12.1(b)(i) are hydrologically inadequate to meet the Mining Water Requirements, the Minister responsible for the administration of the Water Resources Act (Cap. 72:03 of the Laws of Malaŵi) may on at least six months prior notice to the Company (or on at least 48 hours' notice if in his reasonable opinion an emergency situation exists) limit the amount of water which may be taken from that source at any one time or from time to time to the maximum which that source is hydrologically capable of meeting.
- (e) If the investigations referred to in clause 12.1(c) demonstrate to the satisfaction of the Minister responsible for the administration of the Water Resources Act (Cap. 72:03 of the Laws of Malaŵi), acting reasonably, that water from the North Rukuru, Sere or Muswanga Rivers or other water courses or the groundwater sources other than the pit dewatering referred to in clause 12.1(b)(i) cannot continue to be drawn by the Company without seriously affecting the sustainability, quality or

availability (to the extent utilised by local villagers) of water in the North Rukuru, Sere or Muswanga Rivers or other surface water courses or in the groundwater sources other than the pit dewatering referred to in clause 12.1(b)(i) or quality of water in the adjacent areas, the Minister responsible for the administration of the Water Resources Act (Cap. 72:03 of the Laws of Malaŵi) may revoke or refuse to renew the relevant Permit.

- (f) The Company may at its cost design, construct, commission, operate and maintain dams, bores, valves, distribution pipelines, reticulation, meters, tanks, equipment and appurtenances to draw, transport, use, reticulate and dispose of water obtained by the Company pursuant to this clause 12.
- (g) If the water sources contemplated by this clause 12 are insufficient to meet the Mining Water Requirements, the Company shall co-operate with the State in an investigation of other water supply sources, including but not limited to ground water, surface water, water catchments and storage dams.

12.2 State Obligations

- (a) The State shall use Best Endeavours to assist the Company to develop, access, use and draw water to meet the Mining Water Requirements, including without limitation the grant of any Permit which the Company requires under the Water Resources Act (Cap. 72:03 of the Laws of Malaŵi).
- (b) The State shall in granting rights to third parties for any purpose, including rights to minerals, petroleum or other substances, over the area of any water sources from which the Company is drawing or using water from time to time, impose conditions on the third parties to minimise any material prejudice, pollution or interference with the Mining Operations or the Company's drawing or use of water from the water source, to the extent consistent with applicable Law.

13 Community Development

13.1 Community Development Agreements

- (a) The Parties acknowledge that the Company has submitted a Community Development Agreement for approval in accordance with the Mines and Minerals Act.
- (b) The Company shall implement as many Community Development Agreements as are required under the Mines and Minerals Act, subject to the relief afforded to the Company under the Mines and Minerals Act.
- (c) The State agrees to do all within its power to procure the approval of the Mineral Resources Committee to all Community Development Agreements that have been ratified and endorsed by the Company and the relevant qualified community in accordance with the Mines and Minerals Act.



- (d) The Company will expend on community development under its Community Development Agreements at the rate prescribed under of the Mines and Minerals Act, in accordance with the Mines and Minerals Act.
- (e) Where the Company in its sole discretion expends additional discretionary amounts on community development above the money determined by the rate prescribed in the Mines and Minerals Act, such additional discretionary expenditure on community development shall be considered expenditure under the Mines and Minerals Act. Any additional discretionary amounts expended by the Company on community development in excess of the amount required under the Mines and Minerals Act in a given year will be credited towards the Company's expenditure the Mines and Minerals Act in the next year (or years).
- (f) The State agrees that third parties may contribute money to the Company or the separate legal entity or trust established by the Company under clause 13.1(g) to fund the Company's activities under its Community Development Agreements. However, such contributions from third parties shall not be considered expenditure incurred by the Company for the purposes of the Mines and Minerals Act.
- (g) The Company may facilitate the establishment of a trust registered under the applicable Laws into which the community development funds, whether the funds are those which the Company must expend in accordance with the Mines and Minerals Act or discretionary expenditure as contemplated in clause 13.1(e), can be directed such that this trust then controls, manages and implements the Company's Community Development Agreements and in doing so satisfies the Company's obligations in respect of community development under both this Agreement and the Mines and Minerals Act. The Parties agree that at the point in time when funds are deposited into the trust, this will constitute expenditure incurred by the Company for the purposes the Mines and Minerals Act.
- (h) The money that is required to be expended by the Company on community development under the Mines and Minerals Act or is contributed towards community development at the Company's discretion in accordance with clause 13.1(e) of this Agreement may be considered allowable deductions for the purposes of clause 20.3.

13.2 Corporate Social Responsibility

- (a) The Company shall contribute to the sustainable development of Malaŵi and the local community, through the adoption of a high degree of socially responsible practices, based on the voluntary principles and standards set out in this clause 13.2.
- (b) The Company shall use its Best Endeavours to comply with the following voluntary principles and standards for responsible business conduct and consistent with the applicable Laws:
 - (i) stimulate the economic, social and environmental progress, aiming at achieving sustainable development;

- (ii) respect the human rights of those involved in the Company's activities, consistent with the international obligations and commitments of Malaŵi;
- (iii) encourage the strengthening of local capacity building through close cooperation with the local community;
- (iv) encourage the development of human capital, especially by creating employment opportunities and facilitating access of workers to professional training;
- (v) refrain from seeking or accepting exemptions that are not established in the Laws, relating to environment, health, security, work or financial incentives, or other issues;
- (vi) support and maintain good corporate governance principles, and develop and apply good practices of corporate governance;
- (vii) develop and apply effective self-regulatory practices and management systems that foster a relationship of mutual trust between the Company and the community surrounding the Project;
- (viii) promote the knowledge of workers about the corporate policy, through appropriate dissemination of the obligations under this clause, including programs for professional training;
- (ix) refrain from discriminatory or disciplinary action against the employees who submit grave reports to the Company or, whenever appropriate, to the competent public authorities, about practices that violate the Law or violate the standards of corporate governance that the Company is subject to;
- (x) encourage, whenever possible, the business associates, including service providers and outsources, to apply the principles of business conduct consistent with the principles provided in this clause 13.2; and
- (xi) respect local political activities and processes.

14 Training and Human Resources Development and Management

14.1 Employment of Malaŵian Citizens

- (a) The Company will comply with the approved Employment and Training Plan and will oblige any contractors and subcontractors to comply with the approved Employment and Training Plan with respect to their own employment practices.
- (b) The Company shall, and shall also cause its contractors and subcontracts to, employ and give preference to the employment of qualified Malaŵian citizens for financial, accounting, technical, administrative, supervisory, managerial and executive positions and other skilled positions as and when such positions become available unless:

- (i) that candidate does not have the skills and experience required for that post, provided that the Company has used reasonable endeavours to advertise the post to the Malaŵian labour market; or
 - (ii) that candidate is not a fit and proper person to be employed by the Company.
- (c) In furtherance of the obligations under clause 14.1(b), the Company shall employ at its Mining Operations in Malaŵi no more than a “reasonable number of non-Malaŵian workers” (as defined in section 163(10) of the Mines and Minerals Act) in connection with the Project.
- (d) If the Company is not required under clause 14.1(b) to employ a Malaŵian citizen for a post referred to in clause 14.1(b):
 - (i) the Company and its contractors and subcontractors may employ a non-Malaŵian citizen for that post; and
 - (ii) subject to the Company’s compliance with requirements under applicable Law, the State must promptly grant, or procure the prompt grant, of any Permit that is required for the employment of a non-Malaŵian citizen for that post.
- (e) If, in the reasonable opinion of the Government, which opinion the State shall detail in writing to the Company, the Company has, in breach of its undertaking under clause 14.1 employed a non-Malaŵian citizen, it may in addition to any other remedy for breach call upon the Company to show cause why the employment of that non-Malaŵian citizen **should not be discontinued** and that such person be replaced by a **Malaŵian citizen that** has the requisite skills and experience and is a fit and proper person to be employed by the Company.

14.2 Training of Malaŵians

- (a) The Company shall implement the Employment and Training Plan on a continuing basis for the training of citizens of Malaŵi in order to qualify them for financial, accounting, supervisory, managerial, executive positions and all other skilled positions, and as required by Mining Operations, provide on the job training, operate vocational training facilities, and utilize whatever other measures are necessary and reasonable to transfer to other citizen employees the ability to work in skilled trades and to supervise other tradesmen and labourers.
- (b) Notwithstanding anything in this clause 14, the Company shall be solely responsible for all reasonable costs and expenses in connection with the training of Malaŵian citizen employees where the Company requires the Malaŵian citizen employees to be trained outside Malaŵi.
- (c) The Company may seek to obtain from foreign governments, fellowships or scholarships for Malaŵian citizens who satisfy the required prior established standards to be trained in foreign tertiary institutions in areas which may be of assistance to the Company or its Business.

14.3 Expatriate Employees

- (a) The State shall grant, or procure the grant of, the relevant Permit to expatriates employed or to be employed by the Company in accordance with clause 14.1(d).
- (b) Any Permits granted in accordance with clause 14.3(a) shall be renewed, on request of the Company or its consultants, contractors or sub-contractors as the case may be, provided that the State need not renew any such Permit in respect of a particular person beyond an aggregate residency period of ten years.
- (c) All Permits granted under this clause 14.3 shall entitle any spouse or child (dependent or under the age of 18) of any expatriate to also reside within Malaŵi during the currency of the Permit.
- (d) The State shall allow expatriate personnel referred to in clause 14.3(a) to remit monies from their employment outside of Malaŵi and to import and export personal and household effects as well as vehicles, in accordance with applicable Laws.

15 Employment, Occupational, Safety and Health Matters

15.1 Compliance

- (a) The Company shall conduct its Mining Operations in compliance with the Employment and Safety Laws and International Standards, and shall install, maintain and use modern health and safety devices, work gears and equipment, and shall practice such modern health and safety procedures and precautions (including regular safety training instruction for its employees) in accordance with the Employment and Safety Laws and International Standards.
- (b) Nothing in this clause 15 shall be deemed to limit the right of the State to take such other reasonable actions within its power, such as those rights under the Mining (Safety) Regulations of the Mines and Minerals Act and Environmental Laws to protect employee health and safety.
- (c) Subject to the provisions of this clause 15, the Company shall comply with the Employment and Training Plan, and shall take into account the provisions of the Occupational Safety, Health and Welfare Act (Cap. 55.07, 1997) of the Laws of Malaŵi) and International Labour Organization Convention No 155: Occupational Safety and Health, 1981.
- (d) Notwithstanding the provisions of this clause 15, the Company shall, at the invitation of the Minister, participate either individually or on an industry-wide basis, in discussions relating to the impact and effectiveness of the Employment and Safety Laws or on any prospective changes to the Employment and Safety Laws.

15.2 Notification

The Company shall promptly notify the Authority for Workers Compensation in the Ministry of Labour of any death or serious injury to an employee of the

Company or any of its contractors or subcontractors that occurs as a result of Mining Operations (which shall not include the contraction of infectious disease not related to Mining Operations). For the purposes of this clause 15.2, a serious injury means an injury that is likely to cause the injured Person to lose five or more working days.

15.3 Compensation

The Company shall to the extent that it fails to meet employment and safety standards pursuant to the Employment and Safety Laws and International Standards, at its own cost, compensate those employees, Malaŵian citizens or permanent residents adversely affected if, and to the extent required by, and in accordance with, the applicable Employment and Safety Laws.

16 Procurement

16.1 Local Procurement

- (a) The Company shall comply with the approved Goods and Services Procurement Plan and shall oblige its contractors and subcontractors to comply with the Goods and Services Procurement Plan with respect to their own procurement practices in accordance with the Public Procurement and Disposal of Public Assets Act, where applicable.
- (b) The Company in consultation with State shall at all times designate a responsible Person to:
 - (i) assist Malaŵi citizens who wish to or have set up businesses to service the Company and the Project;
 - (ii) liaise with the appropriate officials from the Government; and
 - (iii) provide advice and technical assistance in the development and implementation of long-term business enterprises which can continue after the Mining Operations Plan is completed.
- (c) The Company shall submit reports to the Authority as required by section 159 the Mines and Minerals Act.
- (d) For purposes of this Agreement, “businesses” which are “owned by Malaŵian citizens” means:
 - (i) services provided by resident Malaŵian citizens; or
 - (ii) entities incorporated or formed in Malaŵi where citizens of Malaŵi are entitled to receive 60% or more of all profits from such entities.

16.2 International Procurement

Subject to clause 16.1 and the Company's compliance thereto, the Company and its major contractors may tender for, and procure, goods and services to be used in operations similar to the Mining Operations, internationally.

17.1 Compliance with Environmental Management Plan and Environmental Laws

- (a) Subject to the provisions of this clause 17, the Company shall comply with:
 - (i) the applicable Environmental Laws, and Atomic Energy Act (Act No. 16 of 2011) and Atomic Energy (Amendment) Regulations 2021 of Malaŵi;
 - (ii) the Environmental Management Plan; and
 - (iii) International Standards.
- (b) The Company shall, in any event and consistent with applicable Malaŵian Environmental Laws, Atomic Energy Act (Act No. 16 of 2011) and Atomic Energy (Amendment) Regulations 2021 of Malaŵi and the requirements of International Standards, take appropriate preventive measures to protect all streams and water bodies within or bordering Malaŵi, all dry land surfaces, and the atmosphere from pollution, contamination or damage resulting from Mining Operations.
- (c) If Mining Operations violate any requirement referred to in clause 17.1(a) or otherwise have a material adverse impact on the Environment, the Company shall proceed diligently to restore the Environment as much as possible to its original and natural state (or to remediate the negative impact where restoration is impractical) and shall take appropriate measures to avoid further material adverse impacts on the Environment.
- (d) Any question regarding non-compliance with the Environmental Management Plan, any applicable Environmental Laws Atomic Energy Act (Act No. 16 of 2011) and Atomic Energy (Amendment) Regulations 2021 of Malaŵi or International Standards may be referred by either Party to the Independent Expert for determination in accordance with clause 28.
- (e) The State may take action in enforcing any applicable Environmental Laws, Atomic Energy Act (Act No. 16 of 2011) and Atomic Energy (Amendment) Regulations 2021 of Malaŵi to:
 - (i) secure the Company's earliest compliance with such Environmental Laws, the Atomic Energy Act (Act No. 16 of 2011) and the Atomic Energy (Amendment) Regulations 2021 of Malaŵi; and
 - (ii) impose fines or penalties upon the Company payable under Environmental Laws, the Atomic Energy Act (Act No. 16 of 2011) and the Atomic Energy (Amendment) Regulations 2021 of Malaŵi which are payable in respect of the Company's non-compliance with such Environmental Laws, the Atomic Energy Act (Act No. 16 of 2011) and the Atomic Energy (Amendment) Regulations 2021 of Malaŵi.

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- (f) The State shall not take any action, or permit any action to be taken, under or in enforcing any applicable Environmental Laws, the Atomic Energy Act (Act No. 16 of 2011) and the Atomic Energy (Amendment) Regulations 2021 of Malaŵi with the intent of, or which has the ultimate effect of adversely discriminating against the Company or its Affiliate Companies.

17.2 Compensation

The Company shall, to the extent that it fails to meet environmental management and monitoring standards pursuant to the applicable Environmental Laws, the Atomic Energy Act (Act No. 16 of 2011), the Atomic Energy (Amendment) Regulations 2021 of Malaŵi, applicable Malaŵian and IAEA standards, and International Standards, at its own cost, compensate those adversely affected, if and to the extent required by, and in accordance with, the applicable Environmental Laws, the Atomic Energy Act (Act No. 16 of 2011) and the Atomic Energy (Amendment) Regulations 2021 of Malaŵi, applicable Malaŵian and IAEA standards, or International Standards.

17.3 Environmental Performance Bond

- (a) The Parties acknowledge that the Company has established an environmental performance bond in favour of the Director of Environmental Affairs, which is supported by a cash collateral in the amount of US\$10 million, which has been placed with the Malaŵi Branch of a bank in accordance with section 274(6) of the Mines and Minerals Act.

- (b) Where:

- (i) the Company breaches any obligation under the Mines and Minerals Act, the Atomic Energy Act (Act No. 16 of 2011), the Atomic Energy (Amendment) Regulations 2021 of Malaŵi, Environmental Laws, or the Rehabilitation and Mine Closure Plan to rehabilitate the Environment of the Licence Area;
- (ii) the State notifies the Company of the breach referred to in clause 17.3(b)(i) in accordance with section 274(7) of the Mines and Minerals Act; and
- (iii) the Company does not commence remedying the breach referred to in clause 17.3(b)(i) within 30 days of the notice referred to in clause 17.3(b)(ii) or fails to diligently pursue such remedy thereafter,

the Government, upon written notice to the Company, may draw down on the whole or any part of the environmental performance bond to fund the costs of remedying such breach.

- (c) The environmental performance bond shall be reviewed by the Parties every three years over the Life of Mine, in order to ensure the amount of the environmental performance bond is equivalent to the projections in the Environmental Impact Assessment and the Rehabilitation and Mine Closure Plan for the costs of rehabilitating the Environment of the Licence Area for the relevant three-year period. If there is any Dispute regarding



the amount of the environmental performance bond, such Dispute shall be determined in accordance with clause 28.

- (d) The environmental performance bond shall be released:
 - (i) progressively, where it is being replaced by a substitute environmental performance bond in accordance with clause 17.3(c);
 - (ii) in the circumstances contemplated in clause 17.3(b) and 17.3(e); and
 - (iii) upon the satisfaction of all requirements of the Rehabilitation and Mine Closure Plan.
- (e) The Company may apply to the State to have any portion of the environmental performance bond released following the permanent cessation of Mining Operations, at any time, and from time to time, as rehabilitation activities are undertaken. All such requests shall be considered by the State in good faith and acting reasonably.

17.4 Climate Change

- (a) The Parties acknowledge that the State may develop a policy on climate change.
- (b) Notwithstanding the provisions of this clause 17, the Company agrees to amend the Scheduled Plans (as applicable) to conform to the State's policy on climate change provided that such policy applies to all similarly situated entities.

18 Insurance

- (a) At all times during the Term (including during the Construction Period) the Company will maintain, with financially sound and reputable insurers, insurance with respect to its properties, including:
 - (i) any properties leased or deemed to be leased from the State or a third party; and
 - (ii) any property used in Mining Operations where title is retained by the State or shall automatically revert to the State upon termination of the Agreement.
- (b) Such insurance shall include protection against loss or damage to such property, third-party liability insurance (as to which the State shall be an additional named insured) and, to the extent commercially available on reasonable terms, business interruption insurance.
- (c) The Company shall use its Best Endeavours to obtain any required insurance coverages from Malawian insurers subject to such coverage being available on commercially acceptable and comparable terms with international insurers.

19 Mining Reports

In accordance with the terms and conditions of the Licence and the Mines and Minerals Act, the Company shall submit such reports to the Authority as are required to satisfy the Company's obligations under the Mines and Minerals Act.

20 Fiscal Regime

20.1 Resource Rent Tax

- (a) The Parties agree to an alternative supernormal profit tax in lieu of Resource Rent Tax being applied. The State commits to review the existing formula for implementation from FY2026.
- (b) Until such time as the existing formula has been reviewed and implemented in accordance with clause 20.1 (a), no Resource Rent Tax shall be payable by the Company.

20.2 Payments to Fund Closure Costs

- (a) Any payments by the Project into a Qualifying Mine Closure Fund or otherwise provided in the Company's audited financial reports shall be deducted as expenditure directly in carrying on or undertaking the activities of the Project. Where deductions have not previously been claimed for payments by the Project into a Qualifying Mine Closure Fund or otherwise provided in the Company's audited financial reports prior to the Execution Date, they shall be deducted in the first year following Execution Date.
- (b) Any payments out of a Qualifying Mine Closure Fund or reductions to amounts provided in the Company's audited financial reports shall be included in the assessable income of the Project.
- (c) For the purposes of this clause 20.2, a **Qualifying Mine Closure Fund** is:
 - (i) a fund which is not controlled by the Project and which cannot become controlled by the Project, which is able to pay to the Project only in relation to closing down expenditure for the Project and for no other purpose, and which is otherwise able to pay only for closing down expenditure of mining projects and for environmental rehabilitation and environmental management, and which cannot be enabled to make any other payments to or for the benefit of the contributor; and
 - (ii) able to pay only to reimburse closing down expenditure of mining projects which has already been paid, or to pay directly closing down expenditure of mining projects, or to pay for environmental rehabilitation and environmental management which is part of the conduct of a mining project.
- (d) A contribution is paid to a Qualifying Mine Closure Fund only if it is received by the Qualifying Mine Closure Fund and cannot be returned by the Qualifying Mine Closure Fund or recovered by or on behalf of the Project other than as provided for in this Agreement or in the Taxation Act.

- (e) Any deduction for a contribution is limited to the current total contributions endorsed by the Minister responsible for the Environment as reasonable in relation to the Project, reduced by any contributions already made to the Qualifying Mine Closure Fund.

20.3 **Costs of Implementing any of the Scheduled Plans**

The costs of implementing any of the Scheduled Plans may be deducted in the determination of taxable income to the extent allowable under the Taxation Act.

20.4 **Limitation on Deduction of Interest**

- (a) Any interest due and payable on Debt in excess of the maximum 3:1 Debt to Equity ratio as provided for under the Taxation Act shall not be deductible from assessable income in the determination of taxable income.
- (b) As a result of the historical operations of the Company, for the purposes of calculating the Debt to Equity Ratio in determining limitations of the deductibility of interest the following definitions are to be applied:
 - (i) **Debt** means any loan, financial instrument, finance lease, financial derivative, or any arrangement that gives rise to interest, discounts, finance or other charges that are deductible in the computation of taxable income;
 - (ii) **Equity** means funds advanced from the date that Lotus acquired control of the Company that result in the issue of shares or amounts credited to share capital of the Company; and
 - (iii) **Interest** means the financing costs associated with items that meet the definition of Debt in clause 21.5(a) and that qualify for deduction in the computation of taxable income under the Tax Act. For the avoidance of doubt Interest excludes all other items including interest charges relating to leases as determined under IFRS.

20.5 **Transactions with Affiliate Companies**

- (a) Any payments for goods including any Mine Product or services acquired from or provided to an Affiliate Company or a Related Person shall, subject to clause 7.4, be priced at Arm's Length Terms and shall be subject to adjustment by the Commissioner General in accordance with the Taxation Act. The onus shall be on the Company to establish that it has used Arm's Length Terms.
- (b) The Company shall in its Tax filings:
 - (i) identify all transactions with Affiliate Companies or Related Persons and the amounts paid or received pursuant to such transactions; and
 - (ii) provide contemporaneous documentation regarding the basis for determining price on Arm's Length Terms.



Such report shall be certified by the chief executive officer and the chief financial officer of the Company as to its accuracy and completeness.

- (c) The Company may deduct from assessable income reasonable amounts based on Arm's Length principles paid to Affiliate Companies as a management fee for:
 - (i) corporate, administrative, technical, marketing or other services; or
 - (ii) the provision of technology.
- (d) If the Commissioner General makes an adjustment then it will be upon the Company to challenge that adjustment if it so wishes in accordance with the applicable Laws and not pursuant to the dispute resolution mechanisms referred to in clauses 28 and 29.

20.6 Withholding on Payments to Non-Resident Persons

- (a) The Company shall be exempt from the requirement to pay withholding Tax on any dividends paid from Lotus Africa for seven years from date of Commercial Production.
- (b) The Company shall be required to pay withholding Tax or non-resident Tax at the rate of:
 - (i) 15% on management fees.
 - (ii) 10% on interest on loans
 - (iii) 10% on third-party royalties; and
 - (iv) 10% on payments for non-resident consultants or contractors,
- (c) The payments, as specified under paragraph (b) (i) (ii) and (iv) shall be allowable deductions in the calculation of the company's taxable income.
- (d) The State shall issue to the Company in a timely manner any Permit, advice or direction the Company may require in order to gain the benefit of such exemption as contemplated in clause 20.6(a).

20.7 Export Duty, Import Duty, Import Excise and VAT Exemptions

- (a) The Company will be exempted from export duty, import duty, import excise and import VAT on imports and exports of capital goods as provided in the applicable law.
- (b) The Company shall provide a list of items, used directly in production at the mine, for which waivers and exemptions are required from time to time.

20.8 Corporate Tax

- (a) The Parties acknowledge that the Taxation Act imposes a corporate tax rate of 30% on the taxable income of mining companies, which will apply to the Company from the Execution Date.

- (b) In calculating taxable income, the Company is entitled to:
- (i) immediately depreciate the full amount of capital expenditure it incurs on the Business;
 - (ii) write off against any of its profits;
 - (A) costs incurred by the Company (both prior to and after the Execution Date) in respect of the Licence Area; and
 - (B) all costs in respect of any Community Development Agreement; and
 - (iii) obtain any deduction or credit specifically permitted by the Taxation Act or this Agreement.

20.9 Tax Losses

Tax losses incurred by the Company will be available in full to offset against any income of the Company from the date on which the Company was acquired by Lotus, being FY2020.

20.10 Stability Term

- (a) If Mining Operations are suspended in accordance with clause 3.8 or due to an event of Force Majeure, the Stability Term will be automatically extended by the period of such suspension.
- (b) The Parties agree that, for the duration of the Stability Period, the Company shall not be subject to any changes in law which are prejudicial to the fiscal regime in this Agreement.

20.11 Set-off

Where the Company has made an application to the Commissioner General for a refund in respect of Tax and verily believes, on the basis of legal advice, that it is owed a refund, rebate, release, credit or other form of Tax benefit or payment by the State (a "**Tax Refund**"), and if the refund is not effected within a period of 90 days from the date of the application, the Company may in lieu of payment offset any Tax or other payment due to the State (whether due under this Agreement or otherwise) against the Tax Refund until the Tax Refund is fully offset. The Company shall notify the State of any reliance upon this Clause 20.11. Where any offset has been made and the Dispute is ultimately determined in favour of the State, the Company shall, within 14 days from the date of the determination, pay to the State any portion of the Tax Refund, together with interest, that was held not to be owing to the Company.

21 Royalty

21.1 Gross Royalty Payable

The Company shall pay to the State a royalty (**Royalty**) at 5% of the gross revenue at Minegate. The royalty base will be calculated as the proceeds that

Lotus receives through the sale of Mine Product into the spot market or contract as appropriate for each sale, net of post-Mine Gate costs.

21.2 Royalty Base

- (a) In calculating the Royalty base, the Company shall be entitled to the following Arm's Length deductions in determining the full commercial value at the Minegate:
- (i) directly related discounts, commissions and marketing costs;
 - (ii) costs of compliance with international safeguard requirements;
 - (iii) transport, logistics and associated costs incurred in transporting the Mine Product from Minegate to the Point of Sale including:
 - (A) transport costs to the port of loading;
 - (B) port, handling and storage charges at the port of loading;
 - (C) ocean freight, shipping agency fees and demurrage charges incurred after loading and at port of discharge;
 - (D) marine insurance;
 - (E) port, handling and storage charges at the port of discharge;
 - (F) weighing, sampling, assaying, inspection and representation costs incurred on discharge or delivery;
 - (G) import taxes payable in the country of the port of discharge;
 - (H) any transport costs or expenses imposed on the Company by a country which the Mine Product is transported through or exported from; and
 - (I) any other costs incurred by the Company (including relevant costs charged by way of management fees) related to the transport and sale of Mine Product.
- (b) In the market the Mine Product will be sold into it is customary to enter into term contracts of varying length which may involve fixing prices at the time the contract is entered into, using market related prices, which may include a price ceiling and a floor or other market standard pricing mechanisms. Such contracted prices may not resemble the quoted spot price at the time of sale.
- (c) The State acknowledges this and accepts that the full commercial value of the Mine Product at Minegate will be the Gross Revenue after deducting the costs referred to in clause 21.2(a).

21.3 Calculation Records

- (a) For the purpose of determining the Royalty payable in respect of any sale of Mine Product under this Agreement, the Company shall take reasonable steps (either by the certificate of a competent independent party acceptable to the Commissioner General or otherwise to the



Commissioner General's satisfaction) to satisfy the State as to the correctness of all relevant weights, assays and analyses for the purposes of the Royalty calculation in accordance with clause 21.1 and shall give due regard to any objection or representation made by the Commissioner General as to any weight, assay or analysis affecting the Royalty calculation.

- (b) The gross sum realized and any claimed deduction with respect to the calculation of the Royalty shall be supported by such information as the Commissioner General may reasonably require and in the absence of such supporting documentation may be disallowed by the Commissioner General. Any claimed deduction may be subject to audit by the Commissioner General.

22 Maximum Debt Equity Ratio

22.1 The Company shall comply with the thin capitalisation regime as provided for in the Taxation Act under which interest deductions will be disallowed for the portion of post-acquisition debt to equity ratio exceeds three to one on the basis that:

- (i) The Company's historical losses (and therefore negative equity), plus significant historical loans totalling US\$540,000,000 shall not affect the Company's ability to claim deductions for interest expenses incurred; and
- (ii) transactions captured by the change in IFRS 16 (Accounting for Leases) will not treat operating leases as debt transactions under the Taxation Act.

22.2 The Parties agree that the loans and losses contemplated in clause (i) shall be forgiven. Such transaction shall be implemented on a tax-neutral basis.

23 Foreign Exchange

23.1 Foreign Currency Accounts

- (a) Subject to the Company making such applications required under applicable Laws, including obtaining the approval of the Reserve Bank and registering with the Reserve Bank the facility agreements between the Project Lenders and the Company, the Company:
 - (i) shall remit Foreign Currency including all export proceeds into Malaŵi in accordance with the Exchange Control Act;
 - (ii) may repatriate Foreign Currency from Malaŵi in accordance with the Exchange Control Act;
 - (iii) may, subject to clauses 23.1(b), and 23.1(c), and full disclosure to the State of all documents entered into with the Project Lenders and full disclosure to the Reserve Bank of account details, maintain one or more Foreign Currency accounts outside of Malaŵi, subject to approval by the Reserve Bank, to meet the



Company's Foreign Currency obligations to the Project Lenders for the entire period of the loan; and

- (iv) may retain a Foreign Currency account within Malaŵi which has been established, for the Project, and maintain in such account amounts arising from all verifiable sources associated with the Business, including the following:
- (A) Subject to approval of the insurance contract by Reserve Bank, payments made by insurers or reinsurers not resident in Malaŵi under contracts of insurance in the Company's favour (subject to the requirements of Project Lenders);
 - (B) Foreign Currency proceeds of any disposal of capital assets;
 - (C) foreign loan proceeds and intercompany loans;
 - (D) proceeds of the issue of share capital (payable by non-residents of Malaŵi);
 - (E) Foreign Currency proceeds of swaps and hedges (payable by non-residents of Malaŵi); and
 - (F) maintain one or more Foreign Currency accounts within Malaŵi to:
 - (I) make Foreign Currency payments due to foreign suppliers for the supply of goods and services to the Company or suppliers who have been authorised to invoice in foreign currency;
 - (II) repatriate profits and capital (in Foreign Currency or otherwise) from Malaŵi (which right shall be extended to the Shareholders in respect of the proceeds of the disposal or liquidation of all or part of the assets of the Company);
 - (III) provided that the relevant Malaŵian payroll taxes are deducted and remitted to the Malaŵian Revenue Authority pay to expatriate employees of the Company whose contracts of employment specify that the whole or any part of their salary or any other entitlement be paid in a Foreign Currency, that portion of their salary or other entitlement which it is permissible under any applicable Law or otherwise permitted by State to be paid in a Foreign Currency;
 - (IV) the extent permitted by applicable Law, effect any payments in Foreign Currency to Persons for foreign exchange purposes as may be necessary or desirable in the ordinary course of Business;
 - (V) subject to applicable laws, make payments in Foreign Currency of swaps and hedges.

- (b) The obligations of the Company to meet its obligations to Project Lenders, referred to in clause 23.1(a)(iii), may include without limitation:
 - (i) the payment of interest and the principal to the Project Lenders; and
 - (ii) the payment of mandatory pre-payments to the Project Lenders.
- (c) The Company shall register with and seek approval from the Reserve Bank under the Exchange Control Act through authorised dealer banks in Malaŵi, all facility agreements between the Project Lenders or other third-party lenders and the Company or an Affiliate prior to such facility agreement becoming effective.
- (d) Other than the Foreign Currency account specified in clause 23.1 above, the Company shall not hold accounts outside of Malaŵi.
- (e) All export proceeds received by the Company shall be subject to the retention/conversion ratio prescribed by the Reserve Bank. The Company may convert the retained amount to Malaŵian Kwacha to meet its Malaŵian Kwacha denominated expenditures.

23.2 Invoicing in Foreign Currency

Subject to approval by the Reserve Bank, any person engaged by the Company may invoice and be paid by the Company in foreign currency.

23.3 Reporting

The Company shall, submit to the Reserve Bank:

- (a) within 30 days of the end of each Quarter:
 - (i) a statement of Foreign Currency amounts remitted into Malaŵi within the previous Quarter from Foreign Currency accounts outside of Malaŵi; and
 - (ii) a statement of the balance of the Company's Foreign Currency accounts at the end of the previous Quarter both within and outside of Malaŵi and itemised transactions through its Foreign Currency accounts outside of Malaŵi;
- (b) audited financial statements of the Company within four months following the end of the relevant financial period to which such audited financial statements relate which comply with applicable International Financial Reporting Standards; and
- (c) any other information or reports as may reasonably be requested by the Reserve Bank.

23.4 General

- (a) The Company shall remit into Malaŵi all Foreign Currency proceeds from the sale of Mine Product.
- (b) The Company shall not engage in or use any provisions of this clause or any Permit given by the Reserve Bank to engage in Speculative



Currency Transactions, but for the avoidance of doubt, this clause shall not prohibit or prevent the Company from undertaking the transactions as contemplated under the Taxation Act.

- (c) If the Company is in breach of clause 23.4(b) it shall pay to the State as liquidated damages an amount equal to the amount of the value of the Speculative Currency Transaction and any reasonable costs incurred by the State in establishing that the transaction was a Speculative Currency Transaction.
- (d) The Company shall, upon application in writing to the Reserve Bank and being granted an approval through the Company's authorised dealer bank, be allowed to export capital goods originally purchased and brought into Malaŵi by the Company with Foreign Currency, provided that the State shall first be given the option to purchase the said capital goods at Fair Market Value.
- (e) The Company agrees to establish separate bank accounts for Malaŵi kwacha and Foreign Currency within Malaŵi for the Operations.
- (f) No provision of this Agreement shall be interpreted in a way that prevents the adoption or execution of any measure aimed at ensuring the equitable or effective imposition or collection of taxes or the control and monitoring of foreign currency movement as provided in Malaŵi legislation.

23.5 Currency Transfers

Subject to the Company complying with the Exchange Control Act, the Company shall have access to the free transfer of funds related to the Company's investment, namely:

- (a) the initial contribution to capital or any addition thereof related to the maintenance or expansion of the Project;
- (b) the income directly related to the Project;
- (c) the proceeds of sale or total or partial liquidation of the investment;
- (d) the repayments of any loan, including interest thereon, relating directly to the Project;
- (e) the amount of compensation, in the case of expropriation or temporary use of the investment of the Company by the State or an agent of the State. Should such compensation be paid in bonds of the public debt, the Company will be able to transfer the value of the proceeds from the sale of such bonds in the market;
- (f) dividends paid by the Company; and
- (g) management fees payable by the Company.



24.1 Company Representations and Warranties

The Company represents and warrants to the State on the Execution Date as follows:

- (a) the Company is a corporation duly organized, validly existing and in good standing under the Laws of Malaŵi, and has the corporate power and authority to execute, deliver and perform its obligations under this Agreement;
- (b) that it has made full and frank disclosure to the State of all material facts relevant to this Agreement;
- (c) this Agreement has been duly authorised by all necessary corporate action on the part of the Company, and this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by:
 - (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally;
 - (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law); and
 - (iii) the Laws of Malaŵi.
- (d) the execution, delivery and performance by the Company of this Agreement will not:
 - (i) contravene, result in any breach of, or constitute a default under, any agreement or instrument to which the Company is a Party or by which it or any of its properties are bound or affected;
 - (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or governmental authority, applicable to the Company; or
 - (iii) violate any provision of any statute or other rule or regulation of any governmental authority applicable to the Company;
- (e) there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened, against or affecting the Company or any property of the Company in any court or before any arbitrator of any kind or before or by any governmental authority that call into question the right of the Company to enter into and perform its obligations under this Agreement or that, if resolved against the Company, would materially adversely affect its ability to perform its obligations under this Agreement; and



- (f) the Company has, or has the means to access, the experience, finance, expertise, technical know-how and systems required for the conduct of the activities contemplated by this Agreement.

24.2 Other Undertakings of the Company

The Company shall notify the State of any Transfer of any ownership interest in the Company or in any Person which Controls the Company (other than in any Person whose shares are publicly listed on a stock exchange having reporting and disclosure requirements substantially similar to those imposed in any of the leading international stock exchanges) within 30 days following such Transfer unless such Transfer otherwise requires notice to, or approval by, the State pursuant to clause 27.1. Such notice shall be accompanied by the certification of the chief executive officer of the Company that, immediately after giving effect to such Transfer, the representations and warranties of the Company as set forth in clause 24.1 are true and correct as of a time immediately after giving effect to such Transfer.

24.3 Representations and Warranties of the State

- (a) The State represents and warrants to the Company that as at the Execution Date, the execution, delivery and performance of this Agreement has received all necessary governmental approvals and authorisations, evidence of which has been provided to the Company, and will constitute the legal, valid and binding obligation of the Government.
- (b) The State warrants to the Company during the Term that the Company will enjoy title to, possession and peaceful enjoyment of, all rights granted to it by the State under this Agreement, including its rights to land and property in Malaŵi in accordance with applicable Law, provided that the State shall have no obligations with respect to any Claims that may arise out of rights of third parties with respect to land which the Company has acquired rights to, from parties other than the State.
- (c) The State hereby warrants and defends the Company's title to, possession and peaceful enjoyment of, all rights granted to it by the State under this Agreement, including its right to all land and property in Malaŵi in accordance with applicable Law, provided, that the State shall have no obligations with respect to any Claims that may arise out of rights of third parties with respect to land as to which the Company has acquired rights pursuant to clause 8.

25 Indemnification of the State by the Company

The Company shall indemnify and hold harmless the State and its officers and agents from all Liabilities incurred as a direct consequence of death or injury to Persons or damage to property directly resulting from the conduct of the Company, provided that:

- (a) the State shall notify the Company promptly of any suit, action, proceedings, claims, investigations and negotiations made against the State or its officers or agents in respect of this clause 25; and

- (b) the Company shall have the right to conduct all suits, actions, proceedings, claims, investigations and negotiations relating to any matter referred to in this clause 25.

26 Expropriation and Non-Discrimination

26.1 Expropriation

- (a) In accordance with section 44 (3) of the Constitution of the Republic of Malaŵi, the State undertakes that it shall not, by direct or indirect means, nationalize or Expropriate the Company except where it is:
- (i) pursuant to a public purpose and under the process of Law;
 - (ii) on a non-discriminatory basis; and
 - (iii) upon payment of just and adequate compensation without undue delay as agreed between the State and the Company (acting reasonably and in good faith), taking into account the principles detailed in clause 26.1 (b).
- (b) For the purposes of clause 26.1(a)(iii), the compensation payable by the State to the Company shall:
- (i) be paid without undue delay, in accordance with applicable Laws;
 - (ii) be equivalent to the Fair Market Value of the Expropriated investment, immediately before the effective Expropriation (**Expropriation Date**);
 - (iii) not reflect a negative change in the market value due to the knowledge of the intention to Expropriate, before the Expropriation Date;
 - (iv) be completely payable and freely transferable.

26.2 Non-Discrimination

The State undertakes not to adopt any provision of Law that imposes a material financial or other burden solely on the Company or any of its Affiliate Companies, whether or not such provision specifically identifies the Company or any of its Affiliate Companies as the target thereof, provided that this clause 26.2 shall not apply to any Law reasonably intended to protect the safety, health, welfare or security of the State or citizens of Malaŵi or to fulfil the State's international obligations.

27 Transfers, Mortgage and Change of Control

27.1 Transfer of Interest in the Licence by the Company

- (a) The Company may, with the prior written consent of the Registrar in accordance with the Mines and Minerals Act, which consent must not be unreasonably withheld or delayed, Transfer all of its interest under this Agreement and in the Licence, so long as:

- (i) at the time of the consummation of such transaction the Company has not been notified by the State that it is in material default in the performance of its obligations or the discharge of its liabilities under this Agreement (other than any obligations that have been waived by the State or defaults that have been cured by the Company to the reasonable satisfaction of the Government) and the State has not cancelled or suspended the Licence in accordance with the Mines and Minerals Act;
- (ii) such transaction is not otherwise in violation of applicable Law;
- (iii) the transferee is:
 - (A) a corporation organized and validly existing under the Laws of Malaŵi;
 - (B) a Permitted Transferee; and
 - (C) qualified under the Mines and Minerals Act,and the transferee has demonstrated to the reasonable satisfaction of the State that it has, directly or indirectly, the technical skills, experience, and financial resources necessary (or could be reasonably expected to obtain the financial resources necessary as evidenced by a viable financing plan, which is supported by an appropriate commitment letter from any provider of finance) to carry out the Company's obligations under this Agreement;
- (iv) any Taxes or fees due in connection with such Transfer have been paid;
- (v) prior to the consummation of such Transfer, the transferee delivers to the Minister:
 - (A) its agreement, in the form of a deed of adherence to this Agreement or a novation of this Agreement, to assume and perform or discharge all of the obligations and liabilities of the Company under this Agreement;
 - (B) its written representations and warranties to the effect set forth in clause 24 stated to be true and correct as of a time immediately after giving effect to such Transfer; and
 - (C) evidence that any Taxes or fees due in connection with such Transfer have been paid.
- (b) Subject to clause 27.1(a), the State agrees to do all within its power to procure the approval of the Registrar to the Transfer of the Company's interest under this Agreement and in the Licence.
- (c) No assignment of the interest in the Licence may be made without the assignment of the entire interest in this Agreement and vice versa.



27.2 Transfer of Interest in the Licence by the State

- (a) The State shall not transfer or assign its rights, title, interests or obligations under this Agreement or in the Licence, or permit to be created any encumbrance or claim on its rights in this Agreement or on all or any portion of the Licence, without the prior written consent of the Company.
- (b) The restrictions and obligations detailed in clause 27.2(a) shall be recorded in the Public Registry of Mining Rights. Any attempted disposition in violation of clause 27.2(a) shall be void.

27.3 Change of Control

- (a) No Change of Control of the Company, other than a Change of Control effected by the acquisition of shares listed on an internationally recognized stock exchange, is permitted unless:
 - (i) any Taxes or fees due in connection with such Change of Control have been paid; and
 - (ii) the Company has received the prior written consent of the State (such consent not to be unreasonably withheld or delayed).
- (b) For the avoidance of doubt, the granting of any pledge, mortgage, charge or other encumbrance, which, if exercised would result in a Change of Control, will not be treated as a Change of Control until exercised.
- (c) Subject to clause 27.4, a creditor in whose favour a pledge, mortgage, charge or other encumbrance has been created on the Project shall not be entitled to possession of the Project or to buy the Project. Such creditor shall only be entitled to exercise the power of sale of the Project to obtain any outstanding payment.

27.4 Mortgage or Charge

- (a) The Company may with the consent of the Government, which consent must not be unreasonably withheld or delayed, mortgage, charge, pledge or otherwise encumber, including by way of fixed or floating charge, the whole or any part of its interest under this Agreement and the Licence (including any whole or part of the Project, wherever located, any Mine Product and uncalled capital and premiums) solely as security for the repayment of any principal, interest and other fees, costs and expenses relating to any loans made by any Person to the Company to finance or refinance Mining Operations (the **Mortgaged Property**), so long as the holder (the **Enforcing Party**) of such mortgage, charge, pledge or encumbrance (collectively, a **Mortgage**) agrees in writing with the State prior to the granting of such Mortgage that it will cause an exercise of remedies under such Mortgage against the rights of the Company in the Mortgaged Property to occur only if:
 - (i) the exercise of remedies results in a Transfer of 100% of the interest of the Company in the Licence and this Agreement;

- (ii) the Enforcing Party provides the State with written notice of its intention to Transfer the Mortgaged Property at least 20 Business Days in advance;
- (iii) the transferee delivers to the State prior to such Transfer:
 - (A) its agreement to assume and perform or discharge the obligations and liabilities of the Company under this Agreement;
 - (B) its written representations and warranties to the effect set forth in clause 24 are stated to be true and correct as of a time immediately after giving effect to such Transfer;
 - (C) the transferee has demonstrated prior to such Transfer to the satisfaction of the Government, acting reasonably, that it has, directly or indirectly, the technical skills, experience, and financial resources necessary to carry out the Company's obligations under this Agreement;
 - (D) the transferee is a Permitted Transferee; and
 - (E) any Taxes or fees due in connection with such Transfer have been paid by the Enforcing Party or the transferee, as applicable.
- (b) The State may exercise all of its rights under the Mines and Minerals Act in the event of a default by the Company under the Mines and Minerals Act, provided that it gives at least 20 Business Days' notice of its intention to do so to the Enforcing Party.
- (c) If requested, the Minister, acting on behalf of the Government, will enter into whatever documents are necessary with the Enforcing Party to give effect to the intention of this clause 27.4.
- (d) The rights of any Enforcing Party shall be subject to and limited by the rights of the Company under this Agreement and to the Government's right to terminate those rights under clause 31.4.

27.5 Ministerial Consent

If the Company considers that the Minister unreasonably withheld or delayed their consent to a Transfer, Change of Control or Mortgage, the Company may refer the issue to arbitration to be determined in accordance with clause 29.2.

28 Settlement of Disputes

28.1 Disputes

A Dispute shall be deemed to arise when a controversy or claim arising out of or relating to this Agreement or its subject matter, existence, negotiation, interpretation, validity, termination or enforceability (including any non-contractual dispute or claim) occurs, although if the Company refers a matter to the Revenue Appeals Tribunal, it shall not be a Dispute for the purposes of this clause.

28.2 Notice of Dispute

If a Dispute, arises, either Party shall serve on the other Party a written notice identifying the disputed issue within 14 days (the **Notice of Dispute**).

28.3 Negotiations

Following the receipt by one Party of a Notice of Dispute, one senior representative of each Party with authority to settle the Dispute shall hold discussions to seek to resolve the Dispute in good faith and using Best Endeavours, within 15 Business Days of receipt of the Notice of Dispute.

28.4 Determination of the Nature of the Dispute

- (a) If any Dispute is not resolved by negotiations in accordance with clause 28.3, the Parties shall within 5 Business Days attempt to agree whether or not the dispute constitutes a technical or non-technical dispute.
- (b) If the Parties agree that the Dispute is of a technical nature then the Dispute shall be referred to an Independent Expert in accordance with clause 28.528.
- (c) If the Parties fail to agree the nature of the Dispute or agree that the Dispute is non-technical in nature then it shall be referred to Mediation and Arbitration in accordance with clause 29.

28.5 Independent Expert Determination

If any Dispute is not resolved by negotiations in accordance with clause 28.3; and the Dispute is of a technical nature, the Dispute may be referred to an Independent Expert pursuant to this Agreement and:

- (a) the Parties shall ensure that the Independent Expert is appointed as soon as is reasonably practicable. The Independent Expert shall be appointed by mutual agreement between the Parties. If the Parties fail to appoint the Independent Expert within 20 Business Days of receipt of the Notice of Dispute, the Independent Expert shall be appointed by the International Centre for Expertise in accordance with the provisions for the appointment of experts under the Rules of Expertise of the International Chamber of Commerce;
- (b) all matters under this clause 28.4 shall be conducted, and the Expert's determination shall be written, in the English language;
- (c) the Independent Expert shall have access to all information that the Independent Expert reasonably requires for the purposes of reaching their determination;
- (d) each Party shall provide every reasonable assistance to ensure that the Independent Expert is fully informed (as required by the Independent Expert) of that matter;
- (e) the Independent Expert may travel to, and view, the Project;



- (f) each Party may (expeditiously) make written submissions to the Independent Expert with respect to that matter and shall promptly copy all submissions to the other Party;
- (g) all costs of the Independent Expert's determination shall be borne by the Parties in the manner determined by the Independent Expert;
- (h) the Independent Expert may seek the opinion of professional advisors, including:
 - (i) in financial matters, a chartered accountant from one of the international accounting firms practising in Malaŵi; and
 - (ii) in legal matters, a legal practitioner admitted to practice in Malaŵi for at least 10 years in the area relevant to the dispute. .

and shall be entitled but not obliged to rely upon any such opinion or opinions in making his determination;

- (i) the Parties shall indemnify the Independent Expert from and against any payment, expense, loss or damage incurred by the Independent Expert as a result of any act or omission by the Independent Expert in the course of performance, or attempted performance of his appointment, howsoever arising;
- (j) the Independent Expert shall be required to deliver a written decision, including reasons, to the Parties within 90 days of the date of their acceptance of appointment or within such time as agreed between the Parties;
- (k) the Independent Expert shall not be obliged to have regard to any particular information or evidence in reaching their determination and may in his discretion procure and consider such information and evidence and, in such form as he sees fit;
- (l) each Party shall comply promptly with any request of the Independent Expert for information in such form as the Independent Expert requires;
- (m) to the extent not provided in this clause 28.4, the Independent Expert may in their sole discretion decide upon the procedure they will adopt in reaching their determination and each Party shall comply with any requirement of the Independent Expert in connection with such procedures;
- (n) all matters concerning the process and the determination by the Independent Expert shall be kept confidential among the Parties and the Independent Expert; and
- (o) the Independent Expert shall be acting as an expert, not an arbitrator, and their decision shall be final and binding on the Parties except in the case of fraud or manifest error in which case, the affected Party may submit the Dispute to arbitration in accordance with clause 29.2 within 60 days of the final decision by the Independent Expert.



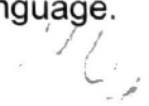
29.1 Mediation

If the Dispute is not resolved by negotiations under clause 28.3 within 15 Business Days of the date of receipt of the Notice of Dispute and the Dispute is agreed or deemed to be non-technical in nature in accordance with clause 28.4(c), either Party may refer the Dispute to mediation in accordance with the International Chamber of Commerce Mediation Rules (**ICC Mediation Rules**), which ICC Mediation Rules are incorporated by reference into this clause 29.1. The Parties agree that:

- (a) such mediation, unless the Parties otherwise agree, shall take place in Lilongwe, Malaŵi ;
- (b) as far as practicable, the Parties shall continue to implement this Agreement during the period while the mediation is pending and during the mediation;
- (c) notwithstanding clause 29.1(b), neither Party shall be entitled to exercise any rights of election arising in consequence of any alleged default by the other arising out of the subject matter of the Dispute until the Dispute has been resolved by mediation; and
- (d) if the Dispute has not been settled pursuant to the said ICC Mediation Rules within 30 days following the filing of the request for mediation or within such other period as the Parties may agree in writing, the Parties shall have no further obligations under this clause 29.1 and may submit the Dispute to arbitration in accordance with clause 29.2.

29.2 Arbitration

- (a) Any Dispute that is not resolved:
 - (i) by negotiations under clause 28.3 and is not a technical Dispute and the Dispute is not referred to mediation pursuant to clause 29.1 within 15 Business Days of the receipt of the Notice of Dispute;
 - (ii) pursuant to clause 29.1(d); or
 - (iii) where clause 28.5(o) applies,shall be finally settled by the International Centre for Settlement of Investment Disputes pursuant to the Convention on the Settlement of Investment Disputes (the **ICSID**), which ICSID shall be incorporated by reference into this clause 29.2.
- (b) The number of arbitrators shall be three. The arbitrators shall be appointed in accordance with the ICSID.
- (c) The seat of arbitration conducted pursuant to this Agreement shall be Johannesburg, South Africa or such other place as the parties may agree. The proceedings shall be conducted in the English language.



- (d) The final award of the arbitral tribunal shall be made public. No Party may publish, disclose or communicate any other documents or information relating to:
 - (i) the arbitral proceedings under this clause 29.2; or
 - (ii) any order or award made in those arbitral proceedings.
- (e) The arbitrators may not award specific performance or similar equitable remedies against the Government. Neither Party shall have liability for consequential, exemplary or punitive damages.
- (f) The State hereby irrevocably waives, in relation to any Dispute arising out of, in relation to, or in connection with, this Agreement, whether relating to acts of a sovereign or governmental nature or otherwise, all claims of immunity from:
 - (i) the jurisdiction of, and from the enforcement of any arbitral award rendered by, an arbitral tribunal constituted pursuant to this Agreement;
 - (ii) the service of process or the jurisdiction of any court situated in any state, country or nation in support of arbitration or in connection with the enforcement of any such award whether before or after such award including, without limitation, in relation to interim or final injunctive relief, specific performance, recovery of assets and enforcement or execution; and
 - (iii) execution of any such award against the property of the State including, but not limited to, any assets held by the State outside Malaŵi.
- (g) Clauses 28 and 29 of this Agreement shall be the exclusive means for resolving any Dispute between the State and the Company and the Parties waive any rights that they might have to alternative resolution pursuant to Law or otherwise and the Parties agree that notwithstanding the termination of this Agreement, the rights of a Party under clause 29.2 shall continue to apply.
- (h) The arbitration agreement contained in this clause shall be governed by the laws of jurisdiction of the seat of arbitration.

30 Extensions to Time

- (a) Notwithstanding any provision of this Agreement and subject to applicable laws, the Parties by agreement in writing may from time to time extend any period referred to in this Agreement, or substitute for any date referred to in this Agreement such later date, if the Company is prevented or hindered by:
 - (i) cessation, curtailment or suspension of Mining Operations in accordance with clause 3.8;
 - (ii) Force Majeure; or



(iii) reference to an Independent Expert, mediation or arbitration, from complying with any of its obligations under this Agreement or exercising any of its rights under this Agreement, the period of time allowed for the performance of that obligation or exercise of that right and all periods of time after then allowed for the performance of obligations or exercise of rights which are dependent upon the first mentioned obligation or right, including the Stability Term, shall be extended by a period equal to the period during which such prevention or hindrance continues.

- (b) Where any period is, or is deemed to be, extended or any later date substituted for an earlier date under this clause 30, that extended or substituted period or date shall be deemed to constitute the period or date referred to in this Agreement (notwithstanding that at the time of such extension or substitution such period may have expired, or such date may have passed).

31 Term and Termination

31.1 Term

- (a) The term of this Agreement (**Term**) commences on the Execution Date and, unless earlier terminated in accordance with this Agreement, shall end on the earlier of:
- (i) the expiration date of the Licence.; or
 - (ii) the date the Licence is cancelled in accordance with the Mines and Minerals Act or this Agreement.
- (b) Upon the renewal or extension of the Licence, this Agreement shall be reviewed by the Parties.

31.2 Termination by Surrender

- (a) This Agreement shall automatically terminate in the event that the Authority issues a certificate of surrender of the entire area of the Licence in accordance with Division 6 of the Mines and Minerals Act.
- (b) In exercising its powers under Division 6 of the Mines and Minerals Act, when considering an application to surrender the Licence, the Authority shall act in good faith and in a timely manner.
- (c) This Agreement remains in force where the Company surrenders a portion only of the Licence.

31.3 Termination by The State

The State may terminate this Agreement by notice in writing to the Company where:

- (a) the last mineral tenement within the area of the Licence Area has expired by effluxion of time and has not been renewed or is not the subject of an application for renewal or an application for a mining licence;



- (b) the State cancels all mineral tenements within the Licence Area in accordance with the Mines and Minerals Act;
- (c) all mineral tenements within the Licence Area are abandoned and for the avoidance of doubt any suspension or curtailment referred to in clause 3.8 does not constitute abandonment; or
- (d) subject to clause 6.2(b), the Company fails to meet its obligations under clauses 6.2(a) or 6.2(d).
- (e) it is discovered that there was deliberate, gross negligent or fraudulent non-disclosure or misrepresentation of material facts prior to the execution or during the implementation of this Agreement.

31.4 Termination by Default

- (a) Except as otherwise provided in this Agreement, if:
 - (i) a Party is in default of the performance of its obligations set forth in this Agreement; or
 - (ii) a Party defaults in complying with any determination by the Independent Expert (except in circumstances in which it has challenged that determination within the time limit specified in clause 28.5(o)) or award made in any arbitration and the defaulting Party has not remedied or commenced remedying such default, or paid compensation where compensation is adequate recompense, within 60 days of receiving a notice in writing from the non-defaulting Party to do so, which notice is to detail the circumstances of the default, the Party may give notice in writing to the defaulting Party of the termination of this Agreement, subject to clause 31.4(a).
- (b) A Party shall not serve a termination notice under clause 31.4(a) in respect of any matter that is the subject of a pending Independent Expert determination, mediation or arbitration initiated in good faith.

31.5 Consequences of Termination

- (a) If this Agreement is terminated by the Government, then:
 - (i) the Company shall surrender to the State all the mineral tenements within the Licence Area, without prejudice to the liability of any of the Parties in respect of any antecedent liabilities and without prejudice to the rights of the Company to remove and recover any of the remaining assets of the Company for the purposes of clause 31.5(a)(iv);
 - (ii) each Party shall forthwith pay to the other Party all monies that may be owing to the other Party under this Agreement;
 - (iii) the State has the option to purchase the remaining assets at the Fair Market Value, exercisable by notice to the Company within 30 days following termination of this Agreement, which amount shall be paid in US dollars; and

- (iv) the Company has the right, where the State does not exercise its option under clause 31.5(a)(iii), within 30 days following the notice period referred to in clause 31.5(a)(iii), to assign, dispose of or export from Malaŵi the whole or any part of the remaining assets not acquired by the State under clause 31.5(a)(iii).
- (b) If this Agreement is terminated by the Company, the Company shall have the right, within a one year period following the termination notice to assign, dispose of (to any Person, including the State for Fair Market Value) or export from Malaŵi the whole or any part of the Company's assets.
- (c) Where this Agreement is terminated for any reason the Company shall leave the Licence Area in a safe and stable condition as required by the Mines and Minerals Act having regard to natural conditions in the Licence Area and applying the International Standards of good mining practice and in accordance with the Environmental Management Plan as applicable from time to time.
- (d) Following completion of the assignment, disposal or export of assets under this clause 31.5, all assets which remain on the Licence Area shall become the property of the State without any cost to the State or any liability for the State to pay compensation therefore provided that the State may in the alternative require the removal by the Company of such assets from Malaŵi subject to the exceptions in this clause 31.5(d).
- (e) Clauses 29, 31.4, 32 and 33 shall continue in force notwithstanding the termination of the rest of this Agreement and termination under this Agreement shall not otherwise in any way affect a Party's accrued rights and obligations at the date of termination.

32 Force Majeure

- (a) Any failure on the part of a Party to comply with any of the terms, conditions and provisions of this Agreement (except any obligation of a Party to make payment of money to the other Party) shall not be grounds for termination or give the other Party to this Agreement any claim for damages insofar as such arises from Force Majeure, if the first-mentioned Party:
 - (i) has taken all appropriate precautions, due care and reasonable alternative measures (with the minimum of delay) with the objective of avoiding such failure and of carrying out its obligations under this Agreement; and
 - (ii) has promptly given notice to the other Party of the event of Force Majeure, on becoming aware of such an event; and
 - (iii) has taken all reasonable steps to mitigate any disability due to Force Majeure with all reasonable dispatch.
- (b) The first-mentioned Party shall give notice to the other Party as soon as practicable after the Force Majeure ceases to continue.

33 Limitation on Liability

Neither Party shall have any Liability under this Agreement for loss of profit, loss of use, consequential damages or any form of exemplary or punitive damages.

34 Applicable Law

Subject to clause 29.2(h), this Agreement shall be governed by the Laws of Malaŵi.

35 Confidential Information

- (a) Each Party must keep the Confidential Information confidential and must not disclose the Confidential Information to any person except:
- (i) to employees, legal advisors, auditors and other consultants requiring the information for the purposes of this Agreement and on a confidential basis;
 - (ii) with the consent of each of the other Parties;
 - (iii) if the information is lawfully in the possession of the recipient through sources other than the disclosing Party;
 - (iv) if required by Law or the rules of a relevant stock exchange;
 - (v) if the information is generally and publicly available other than as a result of breach of confidence; or
 - (vi) by the Company, to a financier or prospective financier (or its advisors) of the Company.
- (b) Subject to clause 35(c), if the State is required by Law to disclose Confidential Information, the State shall use its Best Endeavours to provide notice to the Company in advance of such disclosure describing the circumstances giving rise to the required disclosure and the Confidential Information it proposes to disclose and afford the Company an opportunity to oppose or to seek a limitation on such disclosure from an appropriate court or other governmental agency.
- (c) This Agreement and any amendment to it shall be made public and shall under no circumstances be considered Confidential Information. The State may make public information relating to the timing and amount of Royalties and other payments specifically due or paid under the terms of this Agreement or of Taxes payable or paid by the Company or the rates at which Royalties, Taxes or other payments become due or are assessed.
- (d) The obligations in relation to Confidential Information imposed by this Agreement continue despite the termination of this Agreement for any reason.

36.1 Review and Amendment

- (a) In entering into this Agreement, the Parties recognise that the framework of, and principles underpinning, this Agreement (including, without limitation, determination of the amount of the Royalty, the structuring of the flow of foreign exchange and the setting of the fiscal regime under clauses 20, 21 and 23) have been set by the State and agreed to by the Company in the full knowledge of the potential impact of a rise or fall in the pricing of the Mine Product.
- (b) If required by one Party, the Parties shall hold discussions in good faith to review the Agreement by taking into account the following:
 - (i) new advances in the scientific and technological fields of mineral exploration, Mining and Processing;
 - (ii) new financial circumstances which would in any material respect adversely affect the viability of the Project or increase the expected benefits to the Company;
 - (iii) matters for which it was impractical to make provisions on the Execution Date; or
 - (iv) hardship or unexpected benefit which is experienced during the Term,

it being the intention of the Parties that this Agreement operate between them with fairness and without prejudice to the interests of the other Party. Where it is shown that the Agreement should be amended to take account of the matters referred to in this clause 36.1(b), then the Parties will use their Best Endeavours to agree on the appropriate amendments to this Agreement.

36.2 Amendment to be in Writing

This Agreement shall not be amended or modified except by a written agreement between the Parties to this Agreement.

37 Liaison Committee

37.1 Establishment of Committee

The Minister shall establish a committee which shall consist of:

- (a) the permanent or principal secretaries or their representatives from the Ministries responsible for natural resources, energy and environment, labour and vocational training, industry trade and private sector development, finance, justice and home affairs or the ministries that may replace any of the functions of these from time to time;
- (b) a representative of each of the office of the President and Cabinet, the Reserve Bank, the relevant District Commissioner's office and the District Council respectively; and



- (c) two representatives of the Company.

37.2 Functions of the Committee

- (a) The committee referred to in clause 37.1 shall, whenever it deems appropriate invite representatives from such other Ministries or affected parties to attend any of its meetings.
- (b) The Company can invite specialist consultants, whenever it deems appropriate, to attend any of the meetings of the committee referred to in clause 37.1.
- (c) The chairperson of the committee referred to in clause 37.1 shall be the representative from the Ministry responsible for the administration of the Mines and Minerals Act.
- (d) The committee referred to in clause 37.1 shall operate during the Term and the Company shall furnish the committee with quarterly reports outlining:
 - (i) its activities;
 - (ii) the problems encountered;
 - (iii) its plans;
 - (iv) the number of Malaŵians and other nationalities employed;
 - (v) a list of successful tenderers for procurements which shall include the items supplied, residence of tenderers and the reasons for awarding the tender; and
 - (vi) a list of unsuccessful Malaŵian or foreign based tenderers for procurements which shall include reasons for not awarding the tender.
- (e) The committee referred to in clause 37.1 shall monitor the Company's activities and adherence to the Mining Operations Plan and any other issues related to it.
- (f) The committee referred to in clause 37.1 shall:
 - (i) formulate its own rules of procedure;
 - (ii) not make decisions and recommendations that are binding on the Company;
 - (iii) monitor the implementation of their respective plans where such have been approved and accepted by the Government; and
 - (iv) ensure that the institutions nominating members will be responsible for the costs and expenses incurred by the members in the execution of their duties.



38.1 Form

Any notice, consent, demand, approval, request or other communication required or permitted to be given under this Agreement shall be in writing in the English language and shall be:

- (a) in the case of a notice, consent, demand, approval, request or other communication given by the Government, signed on behalf of the State by either the Minister or permanent or principal secretary to the Ministry as their respective responsibilities require; or
- (b) in the case of a notice, consent, demand, approval, request or other communication to be given by the Company, signed by a director or by the secretary of the Company.

38.2 Delivery

Each such notice, consent, demand, approval, request or other communication shall, as elected by the Party giving such notice, be personally delivered or emailed to the other Party as follows:

- (a) For the State

Address:	Ministry of Mining, Matamando Building, Off Convention Drive, City Centre, Lilongwe, Malaŵi
Email Address:	joseph.mkandawire@mining.gov.mw
Attention:	Principal Secretary

- (b) For the Company

Address:	General Manager Kayelekera Mine, Karonga, Malaŵi Copy to: Managing Director Level 20, 140 St Georges Terrace Perth, WA, 6000, Australia
Email Address:	General.Manager@lotusMalaŵi.com Keith.Bowes@lotusresources.com.au
Attention:	General Manager Managing Director

38.3 Receipt

Except as otherwise specified in this Agreement, all notices, consents, demands, approvals, requests or other communication shall be deemed to have been duly given:

- (a) if delivered by email, upon production of a read receipt; and
- (b) if delivered personally, on the date of receipt.

38.4 Change of Address

Where a Party changes or intends to change its address it shall notify the other Party in writing, within 14 days.

39 General

39.1 Waiver

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

39.2 Severability

The provisions of this Agreement shall be separate and severable each from the other to the extent that if any portion or any one provision or portion is deemed to be inoperative, unenforceable or contrary to any provision of any Law, then that provision will be of no force or effect and the remainder of this Agreement shall remain binding upon and enforceable by the Parties, and nothing in this Agreement shall preclude one Party from requesting the other Party to renegotiate any provision in this Agreement.

39.3 Further Acts

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

39.4 Good Governance

- (a) In line with the principles of this Agreement, each Party shall ensure that all measures that affect investment are administered in a reasonable, objective and impartial manner, in accordance with the Laws of Malaŵi.
- (b) The State shall ensure that its Laws related to any matter covered by this Agreement, in particular regarding qualification, licensing and certification, are published without delay and, when possible, in electronic format.



39.5 Freedom of Opinion

Each Party shall endeavour to allow reasonable opportunity to those interested stakeholders in the private sector and civil society in expressing their opinions on the Project but this is to be in accordance with the Laws of Malaŵi.

39.6 Publication

The State shall make public this Agreement and any amendments or written interpretations of this Agreement.

39.7 Anti-Corruption, Anti-Money Laundering and Counter Terrorism

- (a) The Company represents to the State that:
 - (i) no Conflict Minerals are necessary for the functionality or processing of the Mine Product;
 - (ii) it is conducting and will continue to conduct its business in compliance with Anti-Corruption Laws and Anti-Money Laundering and Counter-Terrorism Laws; and
 - (iii) it has implemented and maintained, and will continue to maintain in effect policies and procedures to ensure compliance by it and its respective directors, officers, employees, and agents, with Anti-Corruption Laws and Counter-Terrorism Laws.

- (b) Each Party:
 - (i) must exercise its rights and perform its obligations under this Agreement and comply with and conduct its business in compliance in all material respects with Anti-Corruption Laws, Anti-Money Laundering and Counter-Terrorism Laws and Sanctions Laws applicable to it and shall not knowingly (acting with due care and enquiry) engage in any transaction, activity or conduct that would violate any Anti-Corruption Laws or Anti-Money Laundering and Counter-Terrorism and Sanctions Laws applicable to it; and
 - (ii) will not knowingly use the proceeds of the sale of Mine Product to fund any activities of, or business with, any person on a Sanctions List.

SCHEDULE 1 – ADDITIONAL LICENCES

Tenement	Status	Held by
EPL489 – Nthalire	Granted	Lotus (Africa) Limited
EPL502 - Juma-Miwanga	Granted	Lotus (Africa) Limited
EL595 – Livingstonia	Granted	Lotus (Africa) Limited
EL583 - Livingstonia West	Granted	Lotus (Africa) Limited




SCHEDULE 2 – LICENCE AND SCHEDULED PLANS

- (a) a Environment and Social Management Plan;
- (b) a Mine Site Plan;
- (c) a Mining Operations Plan;
- (d) a Community Engagement Plan;
- (e) an Employment and Training Plan;
- (f) a Goods and Services Procurement Plan;
- (g) a Resettlement Management Plan;
- (h) a Mine Waste Management Plan;
- (i) a Rehabilitation and Mine Closure Plan;
- (j) a Business Development Assistance Plan.

Executed as an agreement

Executed by Minister of Mining, Hon.)
Monica Chang'anamuno, MP, for and)
on behalf of the Republic of Malaŵi)
)
)


Minister's signature

Name of witness :
Address of witness :
Occupation of witness :
Signature of witness :

Executed by Minister of Finance and)
Economic Affairs, Hon. Simplex)
Chithyola, MP for and on behalf of the)
Republic of Malaŵi)
)
)


Minister's signature

Name of witness :
Address of witness :
Occupation of witness :
Signature of witness :

Executed by **Lotus (Africa) Limited** in
accordance with its constituent
documents.

KEITH BOWES
Chairperson / Director


Signature

GRAIN MALUNGA
Country Director


Signature



