

**Ministry of Petroleum and Mineral Resources
Egyptian Mineral Resources Authority**

Exploration License Model
**General Bid-round No (2) / 2020 for Exploration of some
ores and associated minerals**

Licensee's name: -----

Ore Type: -----

Exploration area: -----

Exploration area location: -----

Annual rent: -----

License Starting Date: -----

License Duration: -----

Licensee

A license to Exploration for a mineral
According to Bidround No. 2 of 2020

This License is issued on this day _____ of _____, 20____
("Effective Date"). The Parties to this License are: The Minister
concerned with the Mineral Resources, in his capacity, having its Legal
Headquarter at 1A Ahmed Al Zomor Street, Nasr City, Cairo, A.R.E.
(Hereinafter referred to variously as the "MINISTER"), The Egyptian
Mineral Resources Authority, a legal entity established by the
Presidential Decree No. 452 of 1970 as amended, having its Legal
Headquarters at 3 Salah Salem Rd. Abbasiya, Cairo, Egypt and
represented herein by _____, in his
capacity as the Chairman. (Hereinafter referred to as "EMRA")
_____, a company duly authorized and
constituted corporation existing under the laws of
_____, having its Legal Headquarters at
Street address 1: _____
Street address 2: _____
City, _____ state, _____ post _____ code:
_____ Country:
_____, having Commercial
Register No. _____ and Tax I.D. No.
_____ and represented herein by
_____ in his capacity as
_____ in accordance with the Power of
Attorney No. _____ dated
_____. (Hereinafter referred to as the
"Company")

Whereas, all mineral resources in mines, quarries and saline in Egyptian lands, territorial waters and Exclusive Economic Zone are the property of peoples and the State shall preserve and exploit them optimally, and Whereas, mining exploration licenses for mines shall be issued by EMRA's Board of Directors and authorized by the MINISTER, and Whereas, the Company, through Bid No. _____ of 20_____, has been awarded Block No. _____ to conduct Mining Exploration Operations in such Block as specified in Annex A-1 to this Agreement and acknowledged that it has the knowhow, good experience in Mining Operations and financial capability to carry out and conduct such operations under this License, and Whereas, the objective of this license is to explore for _____ in a manner to promote long term stability in the conditions of mining investment and contribute to the sustainable development of the State and its communities through a process in which the production and use of non-renewable natural resources takes place in an equitable framework; and Now, therefore, in consideration of the mutual rights and obligations contained in this License and other good and valuable consideration, the Parties agree as follows:

Definitions

- “Authority” means the MINISTER competent with the Mineral Resources.
- “EMRA” means the Egyptian Mineral Resources Authority, which is responsible for the administration and eventual operational management of mines across Egypt, as well as the issuance of the appropriate prospecting and Exploration licenses
- “Effective Date” has the meaning set forth in the Preamble.
- “Exploration activities” means for example but not limited to, testing the surface and the underground by all means particularly the geological,

geochemical and geophysical that lead to identify the minerals via their natural, magnetic and electric characteristics or any other characteristics, or by testing pits/drill or holes to ensure the existence or probability of existing (Gold) and associated minerals. Moreover, the exploration includes a detailed test for the surface and underground by using all drilling and mining work that leads to a determination regarding the presence, quantity, and specifications of mineral Ores; the economic methods of extraction, treatment, and marketing; delineation of an identified orebody, estimation of economic reserves and resources of the Ore and associated minerals, and mining and technical specifications; and the creation of technical data required for economic assessments including but not limited to Preliminary Economic Assessments, Pre-Feasibility Studies, and Feasibility Studies such as the National Instrument 43-101 as required for listing on the Toronto Stock Exchange (TSX) or Public Reports in accordance with the JORC Code as required for listing on the Australian Stock Exchange (ASX).

- “Exploration Area” means the area allocated to the Company for exploration, specifically delineated in Annex A-1 of this License, as the same may be reduced from time to time in accordance with this License and the applicable laws and Regulations.
- “Commercial Discovery” shall mean a discovery of Gold and associated minerals worthy of being developed and exploited commercially in accordance with the principles of good mining practices. The Gold deposit is not deemed commercial unless the company presents to EMRA detailed feasibility study supported by documents to prove that the deposit, can upon exploitation, pay back all costs over a period which shall be determined by the feasibility study.

- "Ore" means the mineral ores that lays within one of the following definitions pursuant to the results of exploration or development operations being carried out and notified to EMRA by Licensee.
- “Dumps and Tailings” refers to all those dumps and tailings currently existing in the area and resulted from old mining workings that have been carried out before the effective date of the License. These dump and tailings owned by the Government, and the company has no rights to move process or sell and shall be left in its place or transported later by EMRA.
- "Antiquities" is subject to the provisions of the Antiquities Protection Law promulgated by Law No. 117 of 1983 and any other laws related to antiquities.
- “Mineral Resources Law” means Law No. 198 of 2014 amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020
- “Tax” means any levy imposed by the State under Applicable Law on income, goods and services, and the employment, health and welfare of persons.
- “Tax Law” means Applicable Law of the State pertaining to any Tax and any subsidiary and associated legislation or regulation.

Article 1

The previous introduction and all procedures preceding the license are an integral part of this license and complement and complement its provisions.

Article 2

Identify the licensee

The licensee: means in this license who is licensed personally or who is assigned to it under an assignment contract approved by the competent authority

Article 3

The license and its validity term

The licensee is granted the right to explore for ore ----- in the area specified on the fee accompanying this license, which is in the form ----- its area.-----

The duration of this license is two years from // 20 to // 20, at an annual rent submitted at the rate of five thousand Egyptian pounds for each square kilometer of the Exploration area or part of it. It is compulsory to break a kilometer into a square kilometer. In the case of renewing this license, the annual rent is obtained in advance As follows:

Ten thousand pounds per square kilometer of the exploration area for the second exploration term.

Fifteen thousand pounds per square kilometer of the exploration area for the third exploration term.

Twenty thousand pounds per square kilometer of the exploration area for the last exploration term.

The licensee has provided a letter of guarantee of the value of exploration expenditure obligations for the first exploration term.

The licensee has paid the annual rent for the first year of the authority according to ----- on ----- and the licensee has paid the authority a security equal to the rent value according to on the date. and

that is to ensure the implementation of the licensing conditions, and in particular to meet the sums owed to the competent authority or to restore the situation to what it was in cases that require this, and the licensee is committed to any amendments to the executive regulations of the Mineral Resources Law issued by Prime Minister Decision No. 108 For the year 2020, any increase in the rental value is accepted .

Article 4

Taxes and Fees

The licensee is obligated to pay all the legally determined taxes, fees, and stamps due for this license, and deducted from his dues with the authority unless he submits proof of their payment, without the licensee having the right to recourse what he has paid in terms of taxes, fees or stamps from the authority.

Article 5

The licensee's right to the minerals in the Zone

This license does not give its holder any right of any kind whatsoever to seize gem stones or any other mineral (even the mineral issued by the license) or otherwise .

Article 6

Obligations of the exploration licensee

The licensee for exploration is obligated to submit to the Egyptian Mineral Resources Authority within a maximum term of thirty days from the date of the license a detailed project for the exploration work that he

intends to carry out and the sums required for these works to be spent on their implementation and to obtain the approval of the Authority on that project and if a month elapses without notifying him With the objections of the Commission to the project, this is considered its approval. He is also obligated to spend all the sums required for these exploration expenditure, as approved by the Commission .

He is also obligated to submit to the Commission every three months a detailed report indicating the extent of his implementation of those works and the amount of sums spent on them. This report must be supported by documents indicating implementation and expenditures (stages of exploration and its results).

The licensee for exploration is also obligated to deliver (to the Egyptian Mineral Resources Authority) all maps, data, analyzes and reports on the works he has carried out throughout the exploration term upon his release from the license or upon its expiration, and the minerals and their ores extracted by the licensee for exploration are the property of the state, and he must preserve them throughout The validity term of this license.

Article 7

License renewal

The duration of this license is two years and it may be renewed for two terms, and it may also be renewed for a third term with technical justifications accepted by the Authority, provided that submitting the renewal application to the Egyptian Mineral Resources Authority in writing at least six months before the end of the license term is accompanied by:

First: - With a detailed report on the results of his previous exploration, accompanied by adequate explanatory maps and documents indicating the tunnels in accordance with the project approved by the Commission.

Second: - A license renewal application is not accepted unless the licensee has actually started and continued to carry out exploration and other work on a continuous and serious basis with the aim of obtaining information on the minerals subject of the license, provided that the licensee has taken into account the implementation of all the provisions established under this license or laws or regulations Business is not considered to be seriously continuing if it is stopped for a term of more than three months without written permission from the Egyptian General Authority for Mineral Resources, according to the conditions set by the Authority.

The Authority is not bound to renew the license if it deems that the licensee has the right to request an exploitation license in accordance with the provisions of the Mineral Resources Law and its supplementary regulations, and the Authority informs him by a registered letter accompanied by acknowledgment of the necessity to request an exploitation license.

Article 8

Must observe all instructions and rules

The licensee must abide by observing all the instructions and rules issued by the Egyptian General Authority for Mineral Resources from time to time with regard to all that it deems necessary to ensure the organization and proper conduct of exploration work in the licensed area.

Article 9

The licensee must keep correct data about all workers he uses in exploration work and the amount of mineral ores that have been extracted as the property of the state, and he must send to the Authority lists of these data and others according to the forms set for this purpose.

Article 10

The licensee must entrust the work in the zone to a manager who possesses the technical competence that is suitable for the project that he has committed to implement throughout the license term, and he must inform the authority about him as soon as he is appointed and give the director sufficient authority to implement the instructions issued by the authority or issued by its representative in accordance with the provisions of the license and the Mineral Resources Law and its implementing regulations Or what amendments will be issued in the future.

Article 11

The representative of (the Egyptian Mineral Resources Authority) in the area have the right to issue the necessary instructions to follow the provisions of the law and regulations in force and to give the temporary instructions called for in the case of urgency to prevent, avoid or reduce the danger or harm to lives and property that may result from the operation.

These instructions or orders are given in writing to the licensee or his representative in the region, and thus the licensee is responsible for their implementation in a timely manner.

Article 12

(Objects of an archaeological or historical nature)

All objects of an archaeological or historical nature discovered by the Company in the Exploration Area shall be State-owned. The Company shall immediately notify EMRA in writing of any finding in the Exploration Area of an object of an archaeological or historical nature and its location, EMRA shall inform the competent entities of the State of

the finding. Following the finding of any such object of an archaeological or historical nature in the Exploration Area, the Company shall cease the work and shall take all precautionary measures to ensure its preservation and avoid disturbing such object and shall follow the instructions issued by EMRA or the competent entities in this regard.

Article 13

The responsibility

The licensee shall work in the licensed area under his personal responsibility and bear all legal responsibility towards others for any damage resulting from his actions and he must bear on the state the compensation that he may claim in cases, procedures, claims or requests if the compensation is the result of an act of his actions .

Article 14

Assignment

During the first Exploration term, the Company may not assign all or part of its rights and obligations arising from this License, unless such assignment is to an Affiliated Company and provided that the assignment request shall have EMRA's prior written approval and the MINISTER's approval. The Assignment request shall be submitted to EMRA on the Form provided for in Article 3 of the Executive Regulations accompanied with the prescribed fees. In order to consider the assignment application, the following conditions must be met: 1. The assignor must have fulfilled all of its obligations under the license at the time of the assignment. 2. The assignee must be registered in the qualified record at EMRA. 3. The assignee must have the technical capability and financial ability. 4. The assignee must comply with all the terms and conditions of the License. 5. The assignor must pay double of the amount of annual rent to EMRA

when applying for the assignment. 6. The assignee must submit the guarantee required by EMRA. 7. The assignee must submit a work programme of for the remainder of the License term. In the case of partial assignment, the assignor and the assignee shall be jointly liable to EMRA in all the obligations stipulated in the license. In the event of the sale of all or part of the shares of ownership to the licensed judicial person, EMRA must be notified. The whole assignment of the License entails the transfer of associated and affiliates licenses to the assignee, in the case of partial assignment, this transfer shall be limited to the rights and obligations as much as the assigned share. The waiver shall not produce any effects until the MINISTER's approval. In the event that the Company is a consortium of more than one member, all members of this consortium shall be jointly liable for fulfilling all the obligations and requirements under this License, and neither of them may assign or exit from this consortium before the end of the First Exploration term, unless the assignment is to an Affiliated company, provided that the request for the assignment must have EMRA's prior written approval the Minister's approval.

Article 15

Request a license or exploitation licenses

The licensee according to the provisions of the Mineral Resources Law No. 198 of 2014 and amended by Law No. 145 of 2019 and its executive regulations issued by the Prime Minister's Decree No. 108 of 2020, and during the validity of the original license term or the renewal term, and after the commercial discovery of the ore, the right to submit an application to the Egyptian Authority The General Mineral Resources Authority to obtain a license or exploitation licenses in accordance with the following conditions:

- A- That the exploitation license cover all or part of the area.
- B- That each separate area in any exploitation license is in the form of a rectangle or square, showing the coordinates of the northwest corner, the angle of deviation and all the data stipulated in the executive regulations issued by Prime Minister Decree No. 108 of 2020.
- C- For the licensee, with his knowledge and under his responsibility, to place a request for a license to exploit identification marks for each area in respect of which an application for a license to exploit identification marks is submitted in accordance with the regulations in force at the Egyptian General Authority for Mineral Resources. An exploitation license shall not be issued for him unless these signs are placed in the manner approved by the Authority, and he must maintain for a term of time. The license is for these marks on their sites and that they are always in good condition.
- D- The exploitation license is concluded on the basis of the conditions applicable to the exploitation license attached to the auction, provided that the exploitation license is requested while the exploration license is valid.

Article 16

The effect of granting the licensee an exploitation license for a part of the search area

When the licensee is granted a license or exploitation licenses for a part or parts of the area to which the license is issued, this license shall be invalidated in relation to this part, and the original search license shall remain in place in relation to the remaining area if requested at the time of submitting the application for a license or exploitation licenses

provided that the license term does not exceed The term originally and renewed by the law specified in the law.

Article 17

The right of the authority to dispose of the licensing area

The Authority has the right to dispose of any part or all of the licensed area as it wishes for its private or public works, and the Egyptian General Authority for Mineral Resources has the right to grant licenses to search for other minerals, provided that this does not conflict with the rights of the licensee or harm his work in the area and the opinion of the Commission shall be Definitively in all these cases.

Article 18

Force Majeure

The licensee is not responsible if, for compelling reasons, he is unable to implement any provision or undertaking of what is stated in this license, and if it is proven to the Egyptian General Authority for Mineral Resources that the reason for the licensee's failure to implement his technical obligations is due to force majeure, the delay term may be deducted and every other term required to avoid damage The result as a result of the delay from the term specified under the license, provided that the licensee has fulfilled all of his other obligations.

Despite all of the foregoing, the state is not responsible in any way to the licensee for any damage, deprivation, or disruption that he suffers as a result of any accident of force majeure or emergency.

Article 19

Temporarily suspend the license

The competent authority, after the approval of the board of directors of the authority, may temporarily suspend the validity of the exploration license if the exploration poses a grave danger to the security and safety of work and workers, others or the licensed area, or if the authority submits two technical reports of technical violations in it, according to the conditions, rules and procedures specified by Law No. 198 of 2014 and amended by Law No. 145 of 2019 and its implementing regulations issued by Prime Minister Decree No. 108 of 2020.

Article 20

Violation of the license, the right to cancel it, and its consequences The competent authority, after approval of the Authority's Board of Directors, may issue a decision revoking the search license in the following cases:

1. Failure to pay the rental value within sixty days from the due date.
2. Violating any provision of Law No. 198 of 2014 regarding mineral resources, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020.
3. Violating any of the terms or conditions of the license.
4. The issuance of an enforceable judgment declaring the bankruptcy of the licensee.
5. Liquidation, dissolution or expiration of the licensed company.
6. Failure to start the business subject of the license for a maximum term of one month from the date of receiving the area for reasons pertaining to the licensee, or to stop without written permission from the Authority for a term of six consecutive months.
7. Assignment of the license to third parties or sub-leasing without written approval from the Authority.

8. If the licensee has stored the extracts on land outside the boundaries of the licensed area without obtaining a lease contract for it.
9. If it is proven that the licensee extracted raw materials from outside the licensed area.
10. If the licensee dies and the license is valid and his heirs or one of them did not ask for a replacement within a term not exceeding ninety days from the date of death, or if they requested solutions and did not meet the competence required to implement the license.
11. If the licensee violates the operating conditions and does not remove the violation within sixty days from the date of his notification from the Authority.
12. If it is proven that the licensed area has been contaminated for a reason attributed to the licensee, and he did not treat it despite being notified by the Authority.
13. If the licensee submitted to the Authority false information or documents proven to be forged.
14. Failure to notify the Authority of any amendment to the documents submitted to the Authority within ninety days of the amendment procedure.

As a result, all the rights of the licensee shall be permanently canceled without prejudice to the rights that the Authority has acquired against the licensee under this license.

Article 21

After the end of the search term without obtaining an exploitation license, the area subject to the license shall be received in the state it was in at the time of its receipt and in accordance with the standards for preserving the environment with the transfer of all equipment and machinery thereof within thirty days, otherwise the Authority will return the case to what it

was at the expense of the licensee with a deduction from His dues shall be transferred to the Authority, provided that all reports, analyzes, maps, raw materials and materials that the search has produced at the site shall be transferred to the Commission after the expiry of the license without claiming any compensation, and the Commission shall reserve them until the legal procedures stipulated in Law No. 198 of 2014 regarding mineral resources, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020.

Article 22

If the licensee dies, his heirs shall have the right to substitute their inheritor if they meet the conditions and request that in writing for a term not exceeding ninety days from the date of death, subject to the provisions of the civil law promulgated by Law No. 131 of 1948 in this regard.

Article 23

Insurance

And the licensee must deposit in the treasury of the Egyptian General Authority for Mineral Resources upon signature of this license a security equivalent to the rent for the year in which the license will apply, and this insurance shall be refunded after the expiration of the license term, provided that all the systems and regulations related to mining activities are implemented.

The Authority has the right to confiscate all or part of the insurance to cover all the actual damages it bears due to the violation of one of the terms of this license or the mining rules and regulations. If the mentioned insurance is not sufficient to cover the actual damages, the licensee must pay the difference.

Article 24

Jurisdiction

The Administrative Judiciary Court of the State Council shall be exclusively competent to decide any dispute that may arise from the implementation or interpretation of any clause of this license.

Article 25

The selected store

The two parties acknowledged that the address indicated next to each of them at the issuance of this license is the place chosen for them and that all correspondence and correspondence directed to him are correct and productive for all their legal effects, and if one of the parties changes his address, he must notify the other party of this by a registered letter with acknowledgment of receipt, otherwise his correspondence at the address shown This license is valid and has all its legal effects, and Article 31 of the Mineral Resources Law does not apply to it.

Article 26

The provisions of Law No. 198 of 2014 regarding mineral resources, as amended by Law No. 145 of 2019 and its executive regulations issued by Prime Minister Decree No. 108 of 2020, shall apply. And the special regulations issued by the Prime Minister's Decree No. 1966 of 2015 and the provisions of the Civil Code promulgated by Law No. 131 of 1948 and the provisions of Law No. 14 of 2012 and its executive regulations and the provisions of relevant laws apply to licenses issued in the Sinai Peninsula.

Article 27

The two parties are bound by any amendments made by the Council of State to this license when reviewing it.

Article 28

The licensee shall abide by the provisions of the Environment Law promulgated by Law No. 4 of 1994 and its implementing regulations issued by Prime Minister Decision No. 338 of 1995 and the decisions issued in implementation of their provisions and their amendments.

Article 29

This license has been issued in three copies, a copy of which has been received to the licensee, and the Authority shall keep the remaining two copies to act according to them when necessary and required.

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

The Egyptian Mineral Resources Authority

Name:

Title: Chairman of the BoD

Signature:

Date:

APPROVED BY

The Minister of petroleum & Mineral Resources

Name:

Signature:

The Company

Name:

Title:

Signature:

Date: