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3 October 2008

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Our reference: 172/13638

Number of pages - 55 (including cover sheet)

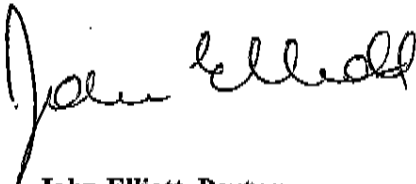
Dear Sir/ Madam

**African Minerals Limited - Notice of Initial Substantial Holder - Cape Lambert Iron Ore Limited**

We act for African Minerals Limited.

In accordance with section 671B of the Corporations Act, we attach an ASIC Form 603 (Notice of initial substantial holder) in relation to shares in Cape Lambert Iron Ore Limited (ASX: CFE).

Yours faithfully



**John Elliott, Partner**  
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jelliott@claytonutz.com

**Contact: Jasmine Sprange, Senior Associate**  
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jsprange@claytonutz.com

Attachment

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of Initial substantial holder**

To Company Name/Scheme Capé Lambert Iron Ore Limited

ACN/ARSN ACN 096 047 920

**1. Details of substantial holder (1)**

Name African Minerals Limited on its own behalf and on behalf of its controlled entities (including Marampa Iron Ore Limited and those named in Annexure A, collectively the "Controlled Entities")

ACN/ARSN (if applicable) Registered number 94816

The holder became a substantial holder on 1/10/2008

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	44,000,000	44,000,000	9.09 %

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
African Minerals Limited	Relevant interest pursuant to section 608(8) of the Corporations Act pursuant to relevant agreement set out in Annexure B to this notice.	44,000,000
Marampa Iron Ore Limited	Relevant interest pursuant to section 608(1)(a).	As for African Minerals Limited
Each of the Controlled Entities	Each of the Controlled Entities is an associate of African Minerals Limited within the meaning of section 12(2)(a) of the Corporations Act and has a relevant interest in the shares in which African Minerals Limited has a relevant interest pursuant to section 608(3) of the Corporations Act.	As for African Minerals Limited.

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
African Minerals Limited	Marampa Iron Ore Limited	Marampa Iron Ore Limited	44,000,000 ordinary shares.
Marampa Iron Ore Limited	As for African Minerals Limited	As for African Minerals Limited	As for African Minerals Limited

Each of the Controlled Entities	As for African Minerals Limited	As for African Minerals Limited	As for African Minerals Limited
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#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
African Minerals Limited	As for Marampa Iron Ore Limited	As for Marampa Iron Ore Limited		As for Marampa Iron Ore Limited
Marampa Iron Ore Limited	1/10/2008		43 'B' ordinary shares in Marampa Iron Ore Limited valued at US\$13,170,266	44,000,000 ordinary shares
Each of the Controlled Entities	As for Marampa Iron Ore Limited	As for Marampa Iron Ore Limited		As for Marampa Iron Ore Limited

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Each of the Controlled Entities	Each of the Controlled Entities is an associate of African Minerals Limited by reason of section 12(2)(a) of the Corporations Act.

**7. Addresses**

The addresses of persons named in this form are as follows:

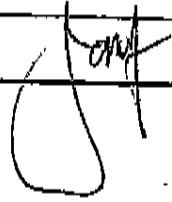
Name	Address
African Minerals Limited	Chancery Hall, 52 Reid Road Hamilton, HM12, Bermuda
Marampa Iron Ore Limited	Chancery Hall, 52 Reid Road Hamilton, HM12, Bermuda
The Controlled Entities	c/- Chancery Hall, 52 Reid Road Hamilton, HM12, Bermuda

**Signature**

print name Jamie Alpen

Capacity  
CFO

sign here

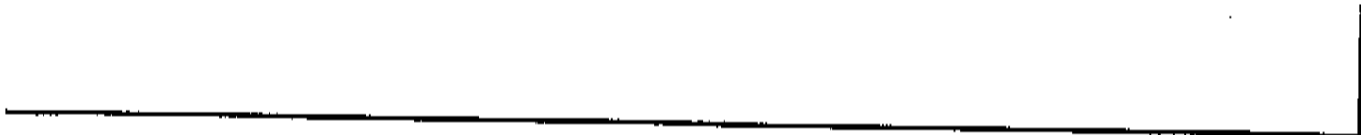


date 3/10/2008

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 609 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

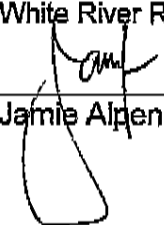


## Annexure A

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This is Annexure A of [ 1 ] pages referred to in the Form 603 Notice of Initial Substantial Holder filed by African Minerals Limited on its own behalf and on behalf of its Controlled Entities signed by me and dated 3 October 2008.

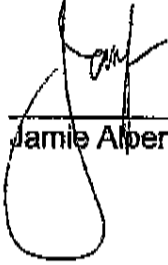
Marampa Iron Ore Limited  
Tonkolili Iron Ore Limited  
Gori Hills Nickel Limited  
Nimini Hills Nickel Limited  
Lovetta Uranium Limited  
Sierra Leone Gold Limited  
Sierra Leone Hardrock Limited  
African Port & Railway Services Limited  
African Minerals (UK) Limited  
African Minerals (Guernsey) Limited  
White River Resources Limited

  
\_\_\_\_\_  
Jamie Algen - CFO

## Annexure B

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This is Annexure B of [29] pages referred to in the Form 603 Notice of Initial Substantial Holder filed by African Minerals Limited on its own behalf and on behalf of its Controlled Entities signed by me and dated 3 October 2008.



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Jamie Alben - CFO

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**CLYDE & CO**

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**Cape Lambert Iron Ore Limited**

and

**African Minerals Limited**

and

**Marampa Iron Ore Limited**

**Agreement**



## Contents

1	<b>Interpretation</b>	1
2	<b>Completion</b>	8
3	<b>Funding of the Feasibility Study</b>	11
4	<b>CLIO Option over the Marampa 'A' Shares</b>	13
5	<b>The Feasibility Study and Operational Involvement</b>	17
6	<b>The LMP Mining Lease</b>	18
7	<b>Termination</b>	19
8	<b>Marampa Warranties</b>	20
9	<b>Limitation on Marampa's liability under the Marampa Warranties</b>	20
10	<b>CLIO Warranties</b>	21
11	<b>Announcements</b>	21
12	<b>Assignment</b>	22
13	<b>Third Party Rights</b>	22
14	<b>Force Majeure</b>	22
15	<b>Interest</b>	24
16	<b>Withholding and Grossing Up</b>	24
17	<b>Waivers</b>	24
18	<b>Variation</b>	25
19	<b>Further Assurance</b>	25
20	<b>General</b>	25
21	<b>Costs</b>	26
22	<b>Entire agreement</b>	26
23	<b>Counterparts</b>	26
24	<b>Notices</b>	26
25	<b>Governing Law and Jurisdiction</b>	28
	<b>Schedule 1</b>	<b>30</b>
	Operational Provisions - Company and Project Level	30
	<b>Schedule 2</b>	<b>36</b>
	Marampa Warranties	36
	<b>Schedule 3</b>	<b>41</b>
	Feasibility Study – CLIO Obligations as Manager	41

**THIS AGREEMENT** is made on 2008

**BETWEEN:**

- (1) **CAPE LAMBERT IRON ORE LIMITED** (incorporated under the laws of Australia with Australian Business Number 71 095 047 920) whose registered office is at 18 Oxford Close, Leederville, Western Australia 6007, Australia (**CLIO**);
- (2) **AFRICAN MINERALS LIMITED** (incorporated in Alberta, Canada and continued into Bermuda under the Companies Act 1981 of Bermuda with registered number 34816) whose registered office is at Chancery Hall, 52 Reid Road, Hamilton, HM12, Bermuda (**AML**); and
- (3) **MARAMPA IRON ORE LIMITED** (incorporated in Bermuda with registered number 39699) whose registered office is at Chancery Hall, 52 Reid Road, Hamilton, HM12, Bermuda (**Marampa**).

**IT IS AGREED as follows:**

**1 Interpretation**

- 1.1 In this agreement unless the context requires otherwise the following expressions have the following meanings:

**Admission Authorities** means the London Stock Exchange and the ASX;

**AIM** means a market operated by the London Stock Exchange;

**AIM Rules** means the AIM Rules for Companies and the AIM Rules for Nominated Advisers;

**AIM Rules for Companies** means the rules of the London Stock Exchange applicable to companies governing admission to and operation of AIM including the guidance notes contained in Part 2 of such rules and the Resources Companies Guidance;

**AIM Rules for Nominated Advisers** means the rules of the London Stock Exchange applicable to Nominated Advisers of companies traded or to be traded on AIM;

**AML Group** means AML and its subsidiaries;

**ARP** means African Rail and Port Services Limited;

**AML'S Solicitors** means Clyde & Co LLP, 51 Eastcheap, London EC3M 1JP;

**ASX** means ASX Limited;

**AUS\$ or \$ or dollars** means Australian dollars, the lawful currency of Australia;

**Australia** means the Commonwealth of Australia;

**Business Day** means a day other than a Saturday, Sunday or public holiday in England and Wales;

**BuyBack Agreement** means a share buyback and restriction agreement between CLIO (1); Marampa (2); and AML (3) in the agreed form and having the same date as this agreement under which:

- (a) CLIO will buy back the CLIO Consideration Shares for a nominal consideration if:
  - (i) during the Restricted Period the Exploration Licence is revoked, rescinded, terminated or cancelled or its boundary is materially and adversely changed in any manner; or
  - (ii) Marampa is not granted rights of access to the Infrastructure Facilities as contemplated by the terms of this agreement before or on the expiry of the Restricted Period, and
- (b) Marampa and AML will agree (subject to certain exceptions specified therein) not to dispose of any interest in the CLIO Consideration Shares during the Restricted Period.

**CA 1985** means the Companies Act 1985 of the UK;

**CA 2006** means the Companies Act 2006 of the UK;

**Claim** means a claim by CLIO involving or relating to a breach of a Marampa Warranty;

**CLIO Capital Reduction and Dividend** means the proposed capital reduction and dividend announced by CLIO on 18 August 2008 and proposed to be paid to the holders of CLIO Ordinary Shares in or around October 2008;

**CLIO Consideration Shares** means 44,000,000 ordinary shares in the capital of CLIO;

**CLIO Consideration Share Rights** means the right of the holders of the Marampa 'A' Shares to receive dividends or other distributions declared, paid or made and all other returns of capital made in respect of the CLIO Consideration Shares, and to exercise the voting rights in respect of the CLIO Consideration Shares and generally to enjoy all other rights of beneficial ownership in respect of the CLIO Consideration Shares;

**CLIO Group** means CLIO and its subsidiaries;

**CLIO Option** means the exclusive option granted in favour of CLIO to purchase the Marampa A Shares from AML on the terms and conditions of this agreement;

**CLIO Option Notice** has the meaning in clause 4.3;

**CLIO Option Period** means the period commencing on the date of this agreement and ending on whichever is the earlier of: (a) the date falling three months immediately after the finalisation of a definitive Feasibility Study; and (b) the date 20 months from the date of Completion;

**CLIO Option Price** means US\$200,000,000 less the aggregate of (i) US\$25,000,000 and (ii) US\$13,170,266.51 (being the value (in US Dollars) of the CLIO Consideration Shares as determined by the volume weighted average closing price of the shares of CLIO on ASX over the 5 trading days ending on the trading day immediately prior to Completion and converted from AU\$ into US Dollars at an exchange rate of 1 AU\$ = US\$0.799273);

**CLIO Option Shares** means all of the Marampa 'A' Shares;

**CLIO Ordinary Shares** means fully paid ordinary shares in the capital of CLIO;

**CLIO'S Solicitors** means Steinepreis Paganin of Level 4, The Read Buildings, 16 Milligan Street, Perth, WA 6000, Australia;

**CLIO Warranties** means the warranties to be given by CLIO contained in clause 9;

**Completion** means the performance by the parties of their respective obligations in accordance with clause 2;

**Consideration** means the CLIO Consideration Shares plus the amount to be paid by CLIO under clause 3.1 of this agreement;

**Corporations Act** means the Corporations Act 2001 of Australia;

**Disclosure Letter** means the letter in the agreed form from Marampa to CLIO in relation to the Marampa Warranties, having the same date as this agreement;

**Dividend in Specie** means the dividend in specie proposed to be made by Marampa to AML of the CLIO Consideration Shares;

**Encumbrance** means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest or other claim, encumbrance or security interest of any kind whatsoever or another type of preferential arrangement (including, without limitation, a title transfer and retention arrangement) having similar effect;

**Exploration Licence** means the licence numbered EXPL 09/06 granted to Marampa SL by the Government of Sierra Leone conferring the right to explore for iron ore and other minerals in the area shown in Appendix A to this agreement;

**FATA** means the Foreign Acquisitions and Takeovers Act 1975 of Australia;

**Feasibility Study** means a study of all aspects of a proposed mining operation which:

- (a) from appropriate sampling programs provides estimates of the tonnes and grade of Mineral Resources and Ore Reserves pursuant to the JORC Code;
- (b) contains estimates of both capital and operating costs likely to be incurred in establishing, conducting and closing mining operations, including costs to be incurred in mine and infrastructure development, pre-production, mining, crushing and ore treatment, concentrate transport and export, concentrate value adding, and mine closure;
- (c) analyses how to proceed with proposed mining operations;
- (d) includes reference to relevant marketing studies and sales forecasts;
- (e) considers possible environmental and social impacts and analyses proposed strategies to manage and mitigate such impacts;

- (f) provides estimates of anticipated cash flows and an analysis of anticipated cash flows using discounted cash flow techniques; and
- (g) includes a schedule of relevant permits and approvals necessary before mining operations and production may commence;

**FIRB** means the Foreign Investment Review Board of Australia;

**GOSL** means the Government of Sierra Leone;

**Infrastructure Facilities** means the Pepel Port and the Railway;

**Infrastructure Facilities Operator** means AML and/or ARP and/or such other newly formed subsidiary of AML which is or are permitted by GOSL to construct, operate, manage, maintain, develop, expand and upgrade the Infrastructure Facilities (or either of them);

**JORC Code** means The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia in 1989 and revised in 2004;

**LMCL** means London Mining Company Limited, a subsidiary of LMP;

**LMP** means London Mining plc;

**LMP Claim** means the claim made by LMCL against AML and SLDC Company Limited in respect of the validity of the Exploration Licence and in particular the coordinates of the area described in the Exploration Licence as set out in an amended writ of summons issued in the High Court of Sierra Leone on behalf of LMCL on 2 September 2008 (and amended on 4 September 2008);

**LMP Mining Lease** means the Mining Lease numbered ML02/05 granted by the Ministry of Mineral Resources of the Government of Sierra Leone to Tecsbaco International Incorporated Company Limited on 2 February 2005 which lease was acquired by LMCL on 22 September 2006;

**Manager** means the manager of the Marampa Project which in the first instance is CLIO;

**Marampa 'A' Shares** means the 100 issued ordinary 'A' shares of US\$1.00 each in the capital of Marampa, held by AML, having the rights and restrictions set out in

the Marampa Bye-Laws, including the exclusive benefit of the CLIO Consideration Share Rights;

**Marampa 'B' Shares** means the 43 ordinary 'B' shares of US\$1.00 each in the capital of Marampa to be issued to CLIO pursuant to the terms of this agreement having the rights and restrictions set out in the Marampa Bye-Laws and which will not have the benefit of the CLIO Consideration Share Rights;

**Marampa Bye-Laws** means the Bye-Laws of Marampa in the agreed form;

**Marampa Project** means the exploration of iron ore and other minerals pursuant to the Exploration Licence;

**Marampa SL** means Marampa Iron Ore (SL) Limited, a company registered in Sierra Leone which is a controlled subsidiary of Marampa;

**Marampa Solicitors** means Wakefield Quin, Chancery Hall, 52 Read Street, 52 Reid Road, Hamilton HM12, Bermuda;

**Marampa Warranties** means the warranties to be given by Marampa and AML contained or referred to in clause 8 and/or set out in Schedule 2;

**Mineral Resources** has the meaning given by the JORC Code being a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality or quantity that there are reasonable prospects for eventual economic extraction.

**Ore Reserves** has the meaning given by the JORC Code being the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes drilling materials and allowances for losses which may occur when the material is mined. Appropriate assessments have been carried out and include consideration for and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified;

**Pepel Port** means the port located at Pepel, Sierra Leone, including, but not limited to, the transshipment, shiploading and ancillary facilities located at such port;

**Railway** means the railway connecting the Pepel Port to the area comprised in the Exploration Licence;

**Resources Companies Guidance** means the guidance note for mining, oil and

gas companies issued by the London Stock Exchange in March 2006;

**Restricted Period** means the period commencing on the date of this Agreement and ending at midnight on the date immediately prior to the first anniversary of the date of this Agreement;

**Surviving Provisions** means clauses 1 (**Interpretation**), 15 (**Interest**); 16 (**Withholding and Grossing Up**); 17 (**Waivers**); 20 (**General**); 21 (**Costs**); 24 (**Notices**) and 25 (**Governing Law and Jurisdiction**);

**Taxation or Tax** means any form of taxation, levy, duty, charge, contribution or impost of whatever nature (including any related fine, penalty, surcharge or interest) imposed by a Tax Authority acting in its capacity as such;

**Tax Authority** means local, municipal, governmental, state, federal or other fiscal, revenue, customs or exercise authority, body or official anywhere in the world; and

**UK** means the United Kingdom of England, Scotland, Wales and Northern Ireland;

**US\$** or US Dollars means U.S. Dollars, the lawful currency of the United States of America.

- 1.2 Unless otherwise stated, references in this agreement to clauses and Schedules are to clauses of and the Schedules to this agreement and references to this agreement include the Schedules.
- 1.3 In this agreement:
- (a) any phrase introduced by the terms **Including, Include, In particular** or any similar expression shall be construed as illustrative and shall not limit the terms of the words preceding those terms; and
  - (b) words importing the singular include the plural, and vice versa, words importing any gender include every gender and references to persons include bodies corporate, unincorporated associations and partnerships.
- 1.4 References in this agreement to statutory provisions shall be construed as references to those provisions as respectively replaced, amended or re-enacted or as their application is modified by other provisions from time to time (whether before or after the date of this agreement) and shall include any provisions of which they are re-enactments (whether with or without modification) and any subordinate legislation made under such provisions save to the extent that any such



replacement, amendment or re-enactment which takes effect after the date of this agreement would impose any new or extended obligation or liability on or otherwise adversely affect the rights of any party.

- 1.5 A reference in this agreement to a document **in the agreed form** means in the form of the draft or proof of the document signed for the purposes of identification by or on behalf of each of the parties with such alterations (if any) as may subsequently be agreed by them.
- 1.6 A reference in this agreement to any document being **certified** shall be to such document as is certified as a true and complete copy by:
- (a) in the case of a document relating to **CLIO**, CLIO's Solicitors; or
  - (b) in the case of a document relating to **AML**, AML's Solicitors; or
  - (c) in the case of a document relating to **Marampa**, Marampa's Solicitors.
- 1.7 Whenever used in this agreement, the expression subsidiaries has the meaning given to that term by section 1159 of CA 2006 and shall be deemed to include subsidiary undertakings (as defined by sections 1161 and 1162 of CA 2006).
- 1.8 The Interpretation Act 1978 shall apply to this agreement in the same way as it applies to an enactment.
- 1.9 The headings to the clauses of this agreement are for convenience only and have no legal effect.
- 1.10 In this agreement, references to times of day are to UK time.

## 2 **Completion**

- 2.1 Completion shall occur immediately upon execution of this agreement.
- 2.2 At Completion:
- (a) **Marampa** shall:
    - (i) allot and issue the Marampa 'B' Shares to CLIO at par, credited as fully paid, with full title guarantee and free from all Encumbrances;
    - (ii) enter CLIO into the register of members of Marampa in respect of the Marampa 'B' Shares;

- (iii) issue CLIO with a relevant share certificate in respect of the Marampa 'B' Shares;
  - (iv) appoint Tony Sage and a nominee of CLIO to its board of directors;
  - (v) enter into and deliver to CLIO an original BuyBack Agreement duly executed by Marampa;
  - (vi) deliver to CLIO a certified copy of the minutes of a meeting of the board of directors of Marampa approving the entering into of this agreement, the BuyBack Agreement, appointing the directors referred to in clause 2.2(a)(iv) and allotting and issuing the Marampa 'B' Shares referred to in clause 2.2(a)(i).
- (b) **CLIO** shall:
- (i) allot and issue the CLIO Consideration Shares to Marampa, credited as fully paid, with full title guarantee and free from all Encumbrances on terms that they will rank pari passu in all respects with the CLIO Ordinary Shares then in issue including the right to receive in full all dividends and other distributions declared, paid or made on or after the date of their allotment save that the CLIO Consideration Shares will not be entitled to participate in the CLIO Capital Reduction and Dividend and save that the CLIO Consideration Shares will be subject to the BuyBack Agreement;
  - (ii) enter the name of Marampa into the register of members of CLIO in respect of CLIO Consideration Shares;
  - (iii) issue Marampa with a relevant holding statement in respect of the CLIO Consideration Shares;
  - (iv) pay to Marampa by electronic transfer to the bank account specified under its name in clause 20 or to such other bank account as Marampa may specify in writing US\$43 as payment for the allotment and issue of the Marampa 'B' Shares;
  - (v) pay to Marampa by electronic transfer to the bank account specified under its name in clause 20 or to such other bank account as Marampa may specify in writing the sum of US\$5,000,000 as an initial payment of the Feasibility Study Facility referred to in clause 3;

- (vi) deliver to Marampa and AML an original BuyBack Agreement duly executed by CLIO; and
- (vii) deliver to AML and Marampa a certified copy of the minutes of a meeting of the board of directors of CLIO approving:
  - (A) the entering into of this agreement, the BuyBack Agreement and the allotting and issuing the CLIO Consideration Shares referred to in clause 3.2(b)(i);
  - (B) the lodgement of an Appendix 3B with ASX in relation to application to ASX for the CLIO Consideration Shares to be quoted on ASX;
  - (C) the lodgement of a "cleansing statement" with ASX pursuant to section 708A(6) of the Corporations Act in relation to the issue of the CLIO Consideration Shares; and
  - (D) the lodgement of the appropriate documentation with AIM in relation to application to AIM for the CLIO Consideration Shares to be quoted on AIM.

(c) **AML** shall deliver to CLIO:

- (i) an original BuyBack Agreement duly executed by AML; and
- (ii) a certified copy of the minutes of a meeting of the board of directors of AML approving the entering into of this agreement and the BuyBack Agreement.

2.3 CLIO shall use its best endeavours to procure that CLIO Consideration Shares are admitted to trading on each of AIM and the ASX as soon as practicable (and in any event within 2 Business Days after the CLIO Consideration Shares are released from any restriction pursuant to the terms of the BuyBack Agreement (whether as a result of the provisions of clauses 3.2 (*exceptions to the Escrow*) or 5.1(a) (*period after Escrow*) of the Buy Back Agreement or otherwise). CLIO will lodge an Appendix 3B with ASX and issue a "cleansing statement" pursuant to section 708A(6) of the Corporations Act in respect of the issue of the CLIO Consideration Shares to Marampa within 1 Business Day of Completion.

2.4 None of the parties shall be obliged to complete this agreement unless the other parties comply with their respective obligations under clause 2.2.

2.5 If AML or Marampa (or either of them) or CLIO is unable to perform any material obligation required to be performed by AML or Marampa, on the one hand, or CLIO on the other (as the case may be) pursuant to the provisions of clause 2.2 before

or on the date of Completion (the **Defaulting Party**), AML or Marampa (if the Defaulting Party is CLIO) or CLIO (if the **Defaulting Party** is either AML or Marampa) (CLIO or AML or Marampa being, as the case may be, the **Non Defaulting Party**) shall not be obliged to comply with its obligations under clauses 2.2 and may (acting bona fide), in its reasonable discretion, by written notice to the Defaulting Party:

- (a) elect to proceed to Completion on that date, to the extent that the Non Defaulting Party is ready, willing and able to do so, and specify a later date on which the Defaulting Party shall be obliged to complete its outstanding obligations; or
- (b) elect to defer Completion by not more than 5 Business Days to such other date as it may specify in such notice, in which event, the provisions of this clause 2.5 shall apply, mutatis mutandis, and the provisions of clause 2.6 shall also apply, if the Defaulting Party fails or is unable to perform any such obligations on such other date.

2.6 If following Completion being deferred pursuant to clause 2.5, at any reconvened Completion (such reconvened Completion to be no earlier than 5 Business Days from the date of a previous Completion), the Defaulting Party fails to comply in all material respects with its obligations pursuant to the provisions of clause 2.2, the Non Defaulting Party may either exercise its rights under clause 2.5 or terminate this agreement other than the Surviving Provisions, in which case none of the parties shall have any claim of any nature whatsoever against any of the other parties under this agreement (save in respect of any rights and liabilities of the parties which have accrued prior to termination or under any of the Surviving Provisions).

### 3 **Funding of the Feasibility Study**

- 3.1 Subject to clauses 3.10 and 3.11, CLIO agrees to pay Marampa an aggregate of US\$25,000,000 (**the Feasibility Study Facility**) for the purposes of funding the Feasibility Study and, in accordance with clause 3.4, additional working capital.
- 3.2 The Feasibility Study Facility will be payable by CLIO in accordance with this clause 3.
- 3.3 Subject to clauses 3.10 and 3.11, Marampa shall be entitled by notice in writing given to CLIO (**a Payment Notice**) to require CLIO to pay to Marampa on a date

- not earlier than 10 Business Days after the date of providing the Payment Notice an amount as detailed in the Payment Notice to be paid towards the Feasibility Study.
- 3.4 In the event that the Feasibility Study is completed by Marampa at a cost of less than US\$25,000,000, Marampa shall nonetheless be entitled to call upon and use any unused remainder of the Feasibility Study Facility in order to meet working capital requirements for the development and mining of the Marampa Project.
- 3.5 AML and CLIO agree that if the cost of the Feasibility Study exceeds US\$25,000,000, such excess cost shall be met by them making additional investments in Marampa pro-rata to their respective shareholdings in Marampa at the relevant time and both parties agree to make the required payments until completion of the Feasibility Study or unless CLIO determines to no longer proceed with the Feasibility Study pursuant to clause 3.10.
- 3.6 If a party fails to contribute pursuant to clause 3.5, interest will accrue on the amount outstanding in accordance with clause 15.
- 3.7 For the avoidance of doubt, a Marampa 'A' Share and a Marampa 'B' Share shall rank pari-passu for the purposes of determining the respective shareholdings of AML and CLIO pursuant to clause 3.5.
- 3.8 The parties agree and acknowledge that the US\$5,000,000 to be paid by CLIO pursuant to clause 2.2(b)(v) shall form part of the Feasibility Study Facility.
- 3.9 The parties agree and acknowledge that the Feasibility Study Facility (including, without limitation, the US\$5,000,000 to be paid by CLIO pursuant to clause 2.2(b)(v) and any additional amounts paid by the parties under clause 3.5) shall only be used and expended on the Feasibility Study and, subject to clause 3.4, development and mining of the Marampa Project.
- 3.10 The Parties acknowledge and agree that, subject to CLIO having paid the US\$5,000,000 pursuant to clause 2.2(b)(v), CLIO may, in its sole discretion and at any time, determine that it is not worthwhile (whether based on, commercial, economic or other considerations) to continue with the Feasibility Study.
- 3.11 Upon CLIO making a determination in accordance with clause 3.10 and providing AML and Marampa with a notice in writing to that effect, the following provisions shall apply:

- (a) CLIO's obligation to pay any funds under this Agreement or in respect of the Marampa Project generally shall immediately be at an end and Marampa and AML shall release CLIO from such obligation;
- (b) CLIO shall be entitled to retain a pro-rata proportion of its 30% interest in Marampa (assuming CLIO would be entitled to the full 30% upon extending the full US\$25,000,000);
- (c) the Marampa 'B' Shares issued to CLIO which are not to be retained by CLIO pursuant to clause 3.11(b) shall be cancelled (through a reduction of capital or otherwise) or repurchased for a nominal consideration;
- (d) Marampa shall be entitled to retain the CLIO Consideration Shares;
- (e) one of the nominees of CLIO appointed to the board of directors of Marampa pursuant to clause 2.2(a)(iv), will resign in writing from the board of directors of Marampa;
- (f) CLIO's rights to the CLIO Option under clause 4 shall cease and determine; and
- (g) no party shall have any claim against any other party for any costs, expenses, damages, charges, compensation or otherwise except for any antecedent breach of this agreement and the Surviving Provisions shall remain in full force and effect.

#### 4 **CLIO Option over the Marampa 'A' Shares**

4.1 AML hereby grants to CLIO the CLIO Option over the CLIO Option Shares.

4.2 For the avoidance of doubt, the CLIO Option is an exclusive option and AML agrees that it will not enter into any agreements, arrangements or understandings or permit a party to conduct due diligence for the purpose of entering into an agreement, arrangement or understanding in respect of its interest in the Marampa Project or the CLIO Option Shares during the CLIO Option Period.

4.3 CLIO may exercise the CLIO Option at any time during the CLIO Option Period by giving not less than 30 days' notice in writing (the **CLIO Option Notice**) to AML of its exercise of the CLIO Option.

4.4 The CLIO Option may be exercised in respect of all but not part only of the CLIO Option Shares.

- 4.5 The CLIO Option Notice shall specify the intended date and place at which completion of the sale and purchase of the CLIO Option Shares shall take place under clause 4.10 below which shall be a date not earlier than 30 days (or later than 45 days) after the date of the CLIO Option Notice unless Completion is extended as a result of the provisions of clauses 4.6 or 4.7 below.
- 4.6 Completion of the exercise of the CLIO Option shall be conditional upon the following conditions being satisfied:
- (a) Marampa having declared and effected the Dividend in Specie to AML of the CLIO Consideration Shares;
  - (b) the consent of the Bermuda Monetary Authority to CLIO increasing its shareholding in Marampa (if required);
  - (c) CLIO obtaining any necessary shareholder approvals to complete the exercise of the CLIO Option (if required); and
  - (d) in the event that AML elects, pursuant to clause 4.11, that the CLIO Option Price is to be satisfied wholly or partly by the allotment and issue of CLIO Ordinary Shares:
    - (i) CLIO obtaining all necessary shareholder approvals to effect completion of the CLIO Option including but not limited to shareholder approval pursuant to Item 7 of Section 611 of the Corporations Act and ASX Listing Rule 10.1 (if required); and
    - (ii) AML obtaining FIRB approval (if required).
- 4.7 The period for completion of the CLIO Option Notice, if validly exercised in accordance with and within the period specified in clause 4.3, shall be extended by such period as is necessary to satisfy the conditions in clause 4.6 provided that by the end of the CLIO Option Period:
- (a) an application has been made by Marampa to the Bermuda Monetary Authority for the consent described in clause 4.6(b) (**BMA Consent**);
  - (b) a Notice of an Extraordinary General Meeting of CLIO has been sent to its shareholders convening an Extraordinary General Meeting (for a date not exceeding 28 days from the date of the Notice) for the purposes of seeking approval of the matters set out in clause 4.6(c) and 4.6(d)(i) (the **EGM Approval**); and

- (c) an application has been made by AML to FIRB for approval under FATA  
**(FIRB Approval)**

in which case completion of the exercise of the CLIO Option Notice shall be postponed until 3 Business Days after whichever is the latest to be satisfied of: BMA Consent, the EGM Approval and FIRB Approval unless any of such conditions are waived.

AML reserves the right, in its absolute discretion, at any time to waive the conditions in paragraphs (d)(i) and (d)(ii) of clause 4.6 if such conditions cannot be satisfied in which case CLIO shall be deemed to be unable to satisfy any AML Share Election under clause 4.14 and the CLIO Option Price shall be satisfied by CLIO in cash.

- 4.8 In respect of the conditions in clause 4.6, the parties shall use their respective reasonable endeavours to satisfy such conditions and to co-operate with each other by making any appropriate submissions, notifications and filings and sending such documents as are necessary to shareholders with, in the case of CLIO, a recommendation from the board of directors of CLIO to vote in favour of any resolutions necessary to satisfy a condition providing such recommendation is not in breach of any director duty or fiduciary duty of the directors of CLIO to the shareholders of CLIO.
- 4.9 If CLIO exercises the CLIO Option and one of the conditions in clause 4.6 is not satisfied, the parties agree to do all things and acts necessary to give effect to the purpose of the CLIO Option (i.e. CLIO acquiring from Marampa a 100% interest in the Marampa Project on the terms of this agreement) including, but not limited to, executing any documentation required by any of them. For the avoidance of doubt, if the condition in clause 4.6(d) is not satisfied, CLIO shall be deemed to be unable to satisfy the AML Share Election under clause 4.14 and the CLIO Option Price shall be satisfied by CLIO in cash.
- 4.10 Completion of the transfer of the CLIO Option Shares in respect of which the CLIO Option is exercised shall take place within 3 Business Days of the satisfaction, or where permitted, waiver of all those conditions referred to in clause 4.6 required to be satisfied in respect of the exercise of the CLIO Option at such place and at such time of that day as the parties agree when:

- (a) **AML** shall:



- (i) deliver to CLIO duly executed stock transfer form(s) in favour of CLIO, together with the share certificate(s) relating to the CLIO Option Shares;
- (ii) procure that upon presentation of the transfer of the CLIO Option Shares from AML to CLIO (duly stamped where necessary) together with the relative share certificate(s) it shall be approved and that CLIO shall be registered as holder of the CLIO Option Shares;
- (iii) if required by CLIO, procure the resignations of all directors and officeholders of Marampa together with an acknowledgement from them that they have no claim against Marampa for loss of office;
- (iv) if required by CLIO, procure the appointment of such persons as directors of Marampa;
- (v) provide, and procure that Marampa or Marampa SL provides, CLIO with all documentation in the possession, custody and control of AML, Marampa or Marampa SL which exclusively relates in any way to the Marampa Project; and
- (vi) provide all documentation and do all necessary acts to place CLIO in effective control of Marampa and the Marampa Project; and

(b) **CLIO** shall pay or satisfy the CLIO Option Price.

- 4.11 The CLIO Option Price shall be paid or satisfied in cash and/or CLIO Ordinary Shares in such proportions as are specified in an election made by AML (**AML Share Election**) to CLIO within 3 Business Days of the date of exercise by CLIO of the CLIO Option.
- 4.12 The number of CLIO Ordinary Shares to be issued to AML will be subject to any necessary shareholder approvals required by CLIO and will be determined by dividing the value of CLIO Option Price, specified by AML in the AML Share Election, as is to be satisfied in CLIO Ordinary Shares by the volume weighted average closing price for a CLIO Ordinary Share as quoted on ASX over the 5 trading days ending on the trading day immediately preceding the date of the CLIO Option Notice.
- 4.13 No fractions of a CLIO Ordinary Share will be issued. Fractional entitlements will be settled by CLIO in cash.

- 4.14 If CLIO is unable to satisfy any election made by AML for CLIO Ordinary Shares (for any reason including a failure to secure any necessary shareholder approvals), that proportion of the CLIO Option Price will be satisfied by CLIO in cash.
- 4.15 CLIO shall use its best endeavours to procure that any CLIO Ordinary Shares allotted and issued to AML under the provisions of this clause 4 are admitted to trading on AIM and on the ASX as soon as practicable after the date of their allotment and in any event within 3 Business Days of such date.
- 4.16 Any CLIO Ordinary Shares to be issued to AML pursuant to this clause 4 shall be allotted and issued with full title guarantee, credited as fully paid, and free from all Encumbrances and on terms that they will rank pari passu in all respects with the CLIO Ordinary Shares then in issue including the right to receive in full all dividends and other distributions declared, paid or made on or after the date of their allotment.
- 4.17 If and to the extent that the option shall not have been exercised by CLIO prior to the expiry of the CLIO Option Period, the CLIO Option shall thereupon lapse and shall not be exercisable thereafter.
- 4.18 If CLIO exercises the CLIO Option over the CLIO Option Shares, and becomes the holder of the entire issued share capital of Marampa, then this agreement will automatically terminate except for any accrued obligations of the parties.

## 5 **The Feasibility Study and Operational Involvement**

- 5.1 Marampa, AML and CLIO shall, and Marampa shall procure that Marampa SL shall:
- (a) do all those acts and things listed in Schedule 1 that are required to be done; and
  - (b) refrain from doing any of those acts or things listed in Schedule 1 that must not be done.
- 5.2 AML hereby agrees to use its reasonable endeavours to ensure that any lease granted by GOSL of the Infrastructure Facilities or any arrangements related thereto contains provisions allowing the Infrastructure Facilities Operator to grant access rights to the Infrastructure Facilities to third parties.
- 5.3 Subject to the Infrastructure Facilities Operator being granted the rights referred to in clause 5.2, AML shall or shall procure that the Infrastructure Facilities Operator

shall grant access rights (**Access Rights**) to the Infrastructure Facilities to Marampa and/or rights to subscribe for shares in the capital of the Infrastructure Facilities Operator on terms to be agreed between CLIO and AML on a commercial basis.

- 5.4 If AML proposes to assign, transfer or otherwise dispose of the rights granted by GOSL to the Infrastructure Facilities Operator in respect of the Infrastructure Facilities, AML shall procure that any assignment, transfer or other disposal of such rights is on terms that the assignee or transferee must first enter into a deed of covenant with CLIO whereby the assignee or transferee agrees and covenants in favour of CLIO to comply with the Access Rights granted to Marampa.

## 6 **The LMP Mining Lease**

If the LMP Mining Lease shall lapse, be surrendered, cancelled, revoked, terminated or otherwise shall no longer be held by LMCL or another member of the LMP Group, the parties agree and acknowledge that:

- (a) AML shall not apply for or be interested, whether directly or indirectly, in the LMP Mining Lease, other than through Marampa; and
- (b) if the area comprising the LMP Mining Lease (or any part thereof) shall lapse into the Exploration Licence or otherwise vest in any way in Marampa or Marampa SL, neither the Consideration nor the CLIO Option Price shall be subject to any increase or renegotiation in any manner whatsoever except that if any member of the AML Group (including Marampa) pays or incurs any administrative cost or expense (including any licence fee or royalty) whatsoever to a third party (**Administrative Expense**) for the purposes of:
  - (a) lapsing or vesting the LMP Mining Lease (or any part thereof) into the Exploration Licence; or (b) otherwise vesting in any way the LMP Mining Lease (or any part thereof) into Marampa or Marampa SL, the Consideration, or as the case may be, the CLIO Option Price shall be adjusted upwards by:
    - (i) in the case of a payment by a member of the AML Group (other than Marampa or Marampa SL) by an amount equal to the amount of the Administrative Expense; or
    - (ii) in the case of a payment by Marampa or Marampa SL, by an amount equal to 70 per cent of the amount of the Administrative Expense.

## 7 Termination

7.1 CLIO, at its sole discretion (acting bona fide), shall have the right to terminate this agreement if:

- (a) during the Restricted Period the Exploration Licence is revoked, rescinded, terminated or cancelled, or its boundary or area is materially and adversely changed in any manner whatsoever; or
- (b) subject to clauses 5.2, the Access Rights are not granted to Marampa as contemplated by clause 5.3 of this agreement before or on the expiry of the Restricted Period,

7.2 If CLIO exercises its right under clause 7.1 then:

- (a) the terms of the BuyBack Agreement will apply;
- (b) CLIO's obligation to pay any funds under clause 3 shall immediately be at an end and Marampa and AML shall release CLIO from such obligation;
- (c) the Marampa 'B' Shares issued to CLIO shall be cancelled (through a reduction of capital or otherwise) or repurchased for an aggregate consideration of US\$43;
- (d) Tony Sage and any other nominee of CLIO, will resign in writing from the board of directors of Marampa on terms that each of them will acknowledge that he has no outstanding claims against Marampa or any other member of the AML Group whether for loss of office or otherwise;
- (e) CLIO's rights to the CLIO Option under clause 4 shall cease and determine; and
- (f) no party shall have any claim against any other party for any costs, expenses, damages, charges, compensation or otherwise except under the provisions of this clause 7 or for any antecedent breach of this agreement and the Surviving Provisions shall remain in full force and effect.

7.3 Each of CLIO, Marampa and AML agree to do all things and acts necessary to give effect to clause 7.2 (including but not limited to executing any documentation required by any of them).

## 8 **Marampa Warranties**

- 8.1 Subject to clause 8.2, AML and Marampa jointly and severally warrant to CLIO that the Marampa Warranties set out in Schedule 2 are true and accurate in all material respects as at the date of this agreement.
- 8.2 Each of the Marampa Warranties is given subject to the matters disclosed in the Disclosure Letter.
- 8.3 Each of the Marampa Warranties is a separate and independent warranty and, except where expressly stated, no Marampa Warranty or other clause in this agreement, except for clause 9, restricts or limits the extent or application of any other Marampa Warranty or any other clause.
- 8.4 The Marampa Warranties shall remain in full force and effect notwithstanding Completion.
- 8.5 If Marampa have any liabilities for or relating to Tax which arise following Completion but which relate to the period prior to Completion, such liabilities shall be the sole responsibility and liability of AML.

## 9 **Limitation on AML's and Marampa's liability under the Marampa Warranties**

- 9.1 In the absence of fraud, dishonesty or wilful concealment (together **Proscribed Conduct**) by or on behalf of Marampa or AML:
- (a) AML and Marampa shall not be liable in respect of any Claim unless the amount of all Claims exceeds \$50,000 (in which case AML and Marampa shall (subject to paragraph (b) below) be liable for the whole amount of such Claim and not just the excess); and
  - (b) the aggregate liability of AML and Marampa in respect of all Claims shall not exceed all amounts paid by CLIO to Marampa under the Feasibility Study at the time the relevant Claim is made.
- 9.2 Marampa and AML shall not be liable in respect of a Claim unless notice of the Claim has been given by or on behalf of CLIO to Marampa on or before 2 years after Completion.

## 10 **CLIO Warranties**

- 10.1 CLIO warrants to Marampa and AML that as at the date of this agreement it is not an Urban Land Corporation (within the meaning of FATA).
- 10.2 CLIO has power under its constitutional documents and all authorisations, approvals, consents and licences required by CLIO have been obtained and become unconditional and are in full force and effect, to permit CLIO to allot and issue the CLIO Consideration Shares to Marampa on the terms of this agreement and to enter into and perform this agreement.
- 10.3 The creation, allotment and issue and the admission to trading on ASX and AIM of the CLIO Consideration Shares will comply with the AIM Rules, the rules and regulations of ASX and all other relevant laws and regulations of Australia.
- 10.4 These warranties shall remain in full force and effect notwithstanding Completion.

## 11 **Announcements**

- 11.1 Subject to clause 11.2, no announcement, communication or publicity of any kind (an **Announcement**) shall be made or issued by any party to this agreement relating to the subject matter or terms of this agreement without the prior written consent of each of the other parties (such consent not to be unreasonably withheld or delayed nor subject to unreasonable conditions). The parties shall consult together upon the timing, content, manner and extent of making or issuing any such announcement, communication or publicity and the other parties shall promptly provide such information and comment as the party making or issuing the same may from time to time reasonably request.
- 11.2 The provisions of clause 11.1 shall not apply to any Announcement, to the extent that it is required to be made or issued:
- (a) by any applicable law order of a court or tribunal of competent jurisdiction, or regulation; or
  - (b) by any court or governmental, administrative or regulatory authority or body competent to require the same; or
  - (c) by virtue of the rules or regulations of the Bermuda Monetary Authority, the UK's Financial Services Authority, the ASX, the rules of the London Stock Exchange, the AIM Rules or the FIRB,

and the party making the Announcement has provided the other party with at least 2 Business Days notice of the requirement to make the Announcement and a copy of the Announcement.

11.3 If the exception in clause 11.2 applies the party making or issuing the Announcement shall use reasonable endeavours to consult with the other parties in advance as to its form, content and timing.

## 12 **Assignment**

12.1 Subject to clause 12.2, a party may not (whether at law or in equity) assign, transfer, grant any security interest over, hold on trust or deal in any other manner with the benefit of the whole or any part of this agreement, nor sub-contract any or all of its obligations under this agreement, nor purport to do any of the same without the consent of the other parties (such consent not to be unreasonably withheld).

12.2 Subject to clause 12.3, each of the parties shall on written notice to the other be entitled to assign all or any of their rights under this agreement as follows:

- (a) In the case of each of **Marampa** and **AML**, to any other member of the AML Group; and
- (b) in the case of **CLIO** to any other member of the CLIO Group.

12.3 If the assignee under clause 12.2 ceases at any time to be a member of in the case of AML, the AML Group, and in the case of CLIO, the CLIO Group, the assignee must immediately re-assign the assigned rights to the assigning party.

## 13 **Third Party Rights**

A person who is not a party to this agreement (**third party**) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 14 **Force Majeure**

14.1 If any party to this agreement is prevented or delayed in the performance of any of its obligations under this agreement by force majeure, then provided such party gives written notice to the other parties forthwith specifying the matters constituting force majeure (together with such evidence as it reasonably can give and

specifying the period for which it is estimated that such prevention or delay will continue), the party in question shall (subject to clause 14.3 be excused the performance or the punctual performance (as the case may be) of such of its obligations as are prevented or delayed by the force majeure circumstances as from the date of such notice for so long as such cause of prevention or delay shall continue.

14.2 Subject to compliance with clause 14.1 above, none of the parties shall be liable to the others or be deemed to be in breach of this agreement by reason of any delay in performing or failure to perform any of its obligations under this agreement if the delay or failure was due to force majeure.

14.3 For the purpose of this agreement **force majeure** shall be deemed to be any cause affecting the performance of this agreement arising from or attributable to acts, events, omissions or accidents beyond the reasonable control of the party to perform including, without limitation:

- (a) strikes, lock-outs or other industrial action;
- (b) governmental (whether local or national) or regulatory intervention;
- (c) civil commotion, riot, invasion, terrorist attack, war, threat of or preparation for war;
- (d) fire, explosion, storm, flood, windstorm, earthquake, subsidence, epidemic or other natural physical disaster;
- (e) interruption or failure of electric power, gas or water supplies;
- (f) political interference with the normal operations of any party; and
- (g) collapse of building structures, failure of plant or machinery, computers or vehicles.

14.4 If the performance of the obligations of Marampa under clause 5 of this agreement is substantially prevented or delayed for a continuous period in excess of 2 months due to force majeure circumstances, Marampa shall have the right (without prejudice to this clause 14.4) to give written notice to the other parties terminating its obligations (and those of AML) under clause 5 of this agreement without any liability on the part of that party except that any rights and liabilities which accrued prior to such termination shall continue to subsist.



14.5 The party claiming to be prevented or delayed in the performance of any of its obligations under this agreement by reason of force majeure shall use all reasonable endeavours to bring the force majeure circumstances to a close or to find a solution by which this agreement may be performed despite the continuance of the force majeure circumstances.

## 15 Interest

If a party to this agreement defaults in the payment when due of any sum payable by it under this agreement (whether determined by agreement or pursuant to an order of a court or otherwise) interest shall be payable by that party on such sum from the date when such payment is due until the date of actual payment (as well after as before judgment) at a rate per annum of 4 per cent above the base rate from time to time of HSBC Bank plc. Such interest shall accrue from day to day.

## 16 Withholding and Grossing Up

16.1 All payments to be made under this agreement shall be made on demand and free and clear of all deductions or withholdings except to the extent, if any, required by any applicable law.

16.2 If any party (the **Paying Party**) is required to make any deduction or withholding from any sum payable by the Paying Party to another party (the **Recipient Party**) the sum payable by the Paying Party in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Recipient Party receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which the Recipient Party would have received and so retained had no such deduction or withholding been made.

16.3 If any Tax Authority brings into charge for Taxation any sum payable under this agreement to any party to this agreement, the amount so payable shall be increased by such amount as will ensure that that party is placed in the same net of Tax position the party would have been in had the sum payable not been brought into charge for Taxation.

## 17 Waivers

17.1 A waiver by any of the parties of any right or remedy under this agreement is only effective if it is in writing, and any such waiver shall (unless the terms of the waiver

expressly provide otherwise) apply only to the party to whom the waiver is addressed and the circumstances in respect of which it is given.

17.2 The failure by any of the parties in exercising a right or remedy provided by this agreement or by law does not constitute a waiver by that party of the right or remedy or a waiver of other rights or remedies and no single or partial exercise of any right or remedy will preclude or restrict the further exercise or enforcement of any such right or remedy.

17.3 Any waiver of any breach of any provision of this agreement shall not, unless the terms of the waiver expressly provides otherwise, be construed as a waiver of any continuing or subsequent breach of such provision or a modification of that provision.

## 18 **Variation**

No variation of this agreement or any of the documents referred to in it shall be effective unless it is in writing and signed by or on behalf of each of the parties to this agreement.

## 19 **Further Assurance**

Each of the parties shall use all reasonable endeavours to do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as the parties may from time to time reasonably require for the purpose of giving the parties the full benefit of the provisions of this agreement.

## 20 **General**

20.1 Any cash payments to be made by CLIO to Marampa under this agreement shall be made by means of electronic funds transfer to the such account as Marampa shall specify to CLIO in accordance with clause 24.

20.2 This agreement shall be binding on and shall enure for the benefit of the successors and permitted assigns of the parties to this agreement.

20.3 If any provision of this agreement is held to be illegal, void, invalid or unenforceable (in whole or in part) by any court or administrative body of competent jurisdiction, that provision shall to that extent be deemed not to form part of this agreement but the enforceability of the remainder of this agreement shall not be affected.

**21 Costs**

Each party shall pay its own costs relating to the negotiation, preparation, execution and performance of this agreement and of each document referred to in it.

**22 Entire agreement**

22.1 This agreement together with any document referred to in it, constitutes the entire agreement and understanding between the parties relating to its subject matter and supersedes any and all previous agreements, arrangements and/or understandings (whether written or oral) between the parties relating to such subject matter.

22.2 Each of the parties acknowledges and agrees that:

(a) in entering into this agreement it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether a party to this agreement or not) other than as are expressly set out in this agreement; and

(b) the only remedy available to it under or in respect of this agreement shall be for breach of contract under their respective terms.

22.3 Nothing in this clause 22 shall operate to limit or exclude any liability for fraud.

**23 Counterparts**

This agreement may be executed in any number of counterparts including by facsimile or electronic transmission each of which when executed shall be an original but all the counterparts shall together constitute one and the same instrument.

**24 Notices**

24.1 Any notice or other communication to be given under this agreement shall be in writing in the English language and shall be delivered personally or sent by pre-paid first class post, courier or by fax:

(a) in the case of **AML** to:

Chancery Hall

52 Reid Road

Hamilton HM12

Bermuda

Fax number: 001 441 294 8875

with a copy marked for the attention of: Ian Dickson, General Counsel, at such fax number as is advised from time to time

(b) in the case of **Marampa** to:

Chancery Hall

52 Reid Road

Hamilton HM12

Bermuda

Fax number: 001 441 294 8875

with a copy marked for the attention of: Ian Dickson, General Counsel, at such fax number as is advised from time to time

(c) in the case of **CLIO** to:

18 Oxford Close

Leederville

Western Australia 6007

Australia

Marked for the attention of: Tony Sage

Fax number: +61 8 9380 9666

with a copy marked for the attention of: Claire Tolcon, Partner, Steinepreis Paganin at such fax number as is advised from time to time

24.2 In the absence of evidence of earlier receipt, a notice or other communication given under this agreement shall be deemed to have been received:

(a) if delivered personally, or by courier upon delivery to the address referred to in clause 24.1;

- (b) if sent by pre-paid first class post, at 9.00 am on the second Business Day after the date of posting;
- (c) if sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine if transmitted during normal business hours (9.30 am to 5.30 pm) on any Business Day. A notice given by a fax transmitted after midnight but on or before 9.30 am on any Business Day shall be deemed to be given at 9.30 am on that Business Day and a notice given by a fax transmitted after 5.30 pm but on or before midnight on any Business Day shall be deemed to be given at 9.30 am on the following Business Day.

24.3 In proving the giving of a notice or other communication it shall be sufficient to prove that the envelope containing it was addressed to the address of the relevant party set out in clause 24.1 (or as otherwise notified by that party in accordance with that clause) and delivered either to that address or sent as a pre-paid first class letter or that the notice or other communication was transmitted by fax to the fax number of the relevant party set out in clause 24.1 (or as otherwise notified by that party in accordance with that clause).

24.4 For the purposes of this agreement, notices or other communications shall not be validly given if sent by e-mail.

## 25 **Governing Law and Jurisdiction**

25.1 This agreement shall be governed by and construed in accordance with English law.

25.2 CLIO irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this agreement which is initiated by AML or Marampa and agrees that this agreement may be enforced in any court of competent jurisdiction.

25.3 Each of AML and Marampa irrevocably agrees to submit to the exclusive jurisdiction of the courts of Australia over any claim or matter arising under or in connection with this agreement initiated by CLIO and agrees that this agreement may be enforced in any court of competent jurisdiction.

25.4 Each of AML and Marampa irrevocably appoints Clyde & Co LLP of 51 Eastcheap, London, EC3M 1JP, fax: 020 7623 5427 as their agent to receive on their behalf in England service of any proceedings arising out of or in connection with this agreement. Such service shall be deemed completed on delivery to such agent

(whether or not it is forwarded to and received by AML and/or Marampa). If for any reason such agent ceases to be able to act as agent or no longer has an address in England, each of AML and Marampa irrevocably agrees that within 20 Business Days it shall appoint a substitute agent acceptable to CLIO with an address in England and deliver to CLIO a copy of the new agent's acceptance of that appointment, together with its name, address and fax number.

- 25.5 CLIO shall advise AML and Marampa within 14 days of Completion occurring of the party it shall irrevocably appoint as its agent to receive on its behalf in England service of any proceedings arising out of or in connection with this agreement. Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by CLIO). If for any reason such agent ceases to be able to act as agent or no longer has an address in England, CLIO irrevocably agrees that within 20 Business Days it shall appoint a substitute agent acceptable to AML and Marampa with an address in England and deliver to each of AML and Marampa a copy of the new agent's acceptance of that appointment, together with its name, address and fax number.
- 25.6 AML and Marampa shall advise AML and Marampa within 14 days of Completion occurring of the party it shall irrevocably appoint as its agent to receive on its behalf in Australia service of any proceedings arising out of or in connection with this agreement. Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by AML or Marampa). If for any reason such agent ceases to be able to act as agent or no longer has an address in Australia, each of AML and Marampa irrevocably agrees that within 20 Business Days they shall appoint a substitute agent acceptable to CLIO with an address in Australia and deliver to CLIO a copy of the new agent's acceptance of that appointment, together with its name, address and fax number.
- 25.7 Nothing in this clause 25 affects the right of any party to service process in any other manner permitted by law.

**IN WITNESS** whereof this agreement has been entered into the day and year first before written.

## Schedule 1

### Operational Provisions - Company and Project Level

#### *Stand Still Provisions*

- 1 From the date of this agreement until the completion of the CLIO Option Period Marampa shall, and shall procure that Marampa SL shall:
- (a) on reasonable notice and during normal working hours allow CLIO and its advisers reasonable access to the Marampa Project and to all necessary information with respect to the Marampa Project in order that CLIO may carry out the Feasibility Study on the Marampa Project;
  - (b) immediately provide CLIO will copies of all notices, communications, orders or instructions received by AML, Marampa or Marampa SL or material significance to the Marampa Project;
  - (c) not encumber, assign, charge or otherwise dispose of, or grant any rights in respect of, the Marampa Project or any of its rights in respect of the Marampa Project (and ensure that Marampa SL does none of these things);
  - (d) carry on its business in the ordinary course;
  - (e) consult with CLIO as to:
    - (i) all material commercial developments in relation to its business and the Marampa Project;
    - (ii) any single item of expenditure of funds for an amount greater than US\$20,000;
    - (iii) a proposed entry into any borrowing facility by Marampa or Marampa SL; or
    - (iv) the commencement, conduct or proposed settlement of any litigation in which the disputed amount in monetary terms is in excess of US\$20,000;
  - (f) fully and punctually comply with and observe all applicable requirements and orders of any governmental or quasi-governmental agency or department where non-compliance or non-observance would or might reasonably be

expected to impose a material encumbrance, material liability, material restriction or material disability on its business or shares in Marampa.

- 2 From the date of this agreement until completion of the CLIO Option Period, Marampa shall not and shall procure that Marampa SL shall not:
- (a) issue any shares or other securities or any debt, equity or hybrid instruments;
  - (b) increase, reduce or otherwise alter its share capital or grant any options for the issue of shares or other securities;
  - (c) declare or pay a dividend or make any other distribution or return of capital; or
  - (d) alter any of its constituent documents.
- 3 AML shall not during the CLIO Option Period dispose of any of its interest in the CLIO Option Shares or any of its interest in Marampa SL.

***Marampa Operational Provisions***

AML and CLIO (as the sole shareholders of Marampa after Completion) agree that the following provisions will apply to Marampa as and from Completion.

- 1 Marampa must not issue any additional shares or other securities without the unanimous approval of the shareholders.
- 2 Subject to clause 3.11, the directors of Marampa shall comprise of 4 persons, 2 persons nominated by AML and 2 persons nominated by CLIO at or immediately following Completion.
- 3 The parties agree that the following decisions can be made only by a unanimous vote of the shareholders:
- (a) amendment to the constitution of Marampa;
  - (b) winding up Marampa;
  - (c) reorganisation, reclassification, reconstruction, consolidation or subdivision of the capital of Marampa or the creation of any different class of securities in the capital of Marampa;
  - (d) any buy-back, redemption, reduction or cancellation of shares or share capital;



- (e) any change to the dividend and distribution policy of Marampa;
- (f) the issue of any bonus shares in the capital of Marampa;
- (g) offering any securities in the capital of Marampa for subscription;
- (h) Marampa entering into any arrangement to borrow money;
- (i) entering into any arrangement to give any guarantee, mortgage, charge or other security over the assets of Marampa;
- (j) the registration or establishment of any subsidiaries of Marampa;
- (k) amendment of any budget or programme approved by the Operating Committee in respect of the Marampa Project;
- (l) the purchase or agreement to the purchase by Marampa of any asset or the making of any investment with a value of US\$100,000 or more or a commitment to purchase in any one year a number of assets or make a number of investments with an aggregate value of US\$100,000 or more;
- (m) the sale or agreement to the sale of the Marampa Project;
- (n) Marampa entering into, amending or terminating any long term contract or a contract with a value (taking account of gross payments or receipts over the life of the contract) of US\$100,000 or more;
- (o) entering into, overriding or terminating any agreement between Marampa, and any of its shareholders (except for the intercompany funding agreement between AML and Marampa);
- (p) any change in strategic direction of Marampa or the commencement by Marampa of any new business; or
- (q) the appointment or removal of the auditors of Marampa.

#### 4 Access to records

Each shareholder is entitled to full access during normal business hours and at its own cost to inspect all the books, accounts and records of Marampa. Access may be exercised through an employee of, or consultant or adviser to, the shareholder, subject to the requirements of confidentiality.

#### ***Marampa Project Operational Provisions***

AML and CLIO acknowledge and agree that the following provisions apply to the operation of the Marampa Project as and from Completion and further agree to meet in good faith on or about 6 months after Completion to consider and if appropriate, amend, the following provisions in respect to the operation of the Marampa Project.

1 *Initial Manager*

As and from Completion, CLIO will, subject to the provisions of this Agreement, be the first Manager of the Marampa Project.

2 *Rights and obligations of the Manager*

- (a) The Manager will (by itself or through its employees, agents or contractors) have the conduct of all the operations of the Marampa Project and in particular, completion of the Feasibility Study, on behalf of Marampa.
- (b) The Manager shall conduct operations in accordance with programmes and budgets and decisions approved by the Operating Committee.
- (c) The Manager shall conduct all operations in accordance with accepted mining and exploration standards and practices.

3 *Operating Committee*

- (a) As soon as practicable after the execution of this agreement, AML and CLIO will form and thereafter maintain an operating committee (**Operating Committee**) which shall meet not less than once in each calendar half and more often if so required by the Manager.
- (b) Each of AML and CLIO will be entitled by notice to the other party in writing to appoint one representative (and one alternate representative) as a member of the Operating Committee and to remove any person so appointed and to appoint another person in his or her place. Each party will be entitled to have further consultants and technical personnel present at the meetings of the Operating Committee, but those persons will not be entitled to vote.
- (c) The Operating Committee may review and give directions to the Manager as to operations of the Marampa Project and will consider and approve (subject to modification or otherwise) the nature and content of

programmes and budgets relating to operations proposed by the Manager.

- (d) Decisions by the Operating Committee must be unanimous.

4 *Maintenance of Tenement*

As and from execution of this agreement the Manager shall, on behalf of Marampa, maintain the Marampa Project in good standing, pay all rent and rates and ensure that the minimum expenditure conditions under applicable legislation are complied with or that exemptions therefrom are duly obtained and ensure that all reporting requirements under applicable legislation in respect of the Exploration Licence are complied with.

5 *Budgets and Contributions*

- (a) At least 60 days before the commencement of each anniversary of Completion (**Relevant Year**), the Manager must prepare and submit to the Operating Committee for approval a detailed draft work plan together with a detailed draft operating budget for that upcoming year.
- (b) The Operating Committee must act reasonably to consider and vote on each work plan and budget at least 30 days prior to the commencement of the Relevant Year. The Operating Committee may approve the work plan and budget.
- (c) If the Operating Committee, acting reasonably does not advise its disapproval of the work plan and budget by the commencement of the Relevant Year, the Operating Committee will be deemed to have approved the work plan or budget.

**Inspection, Reporting, Secrecy**

6 *Access*

AML and CLIO will have access at any time upon reasonable notice at their sole risk to inspect any operations, together with the right to inspect samples, drill cores, core logs and all other factual data pertaining to the Marampa Project obtained by the Manager while conducting operations and upon reasonable request from any party the Manager must furnish the said party copies of all factual data including core logs, geological reports, maps or other documents connected with the said

operations provided that the requesting party will meet the reasonable costs involved in copying and delivering additional copies of the data supplied.

7 *Reports*

Within 20 days after the end of each calendar quarter the Manager must provide the parties with a report summarising exploration carried out within the area of the Marampa Project and the results thereof.

8 *Discoveries*

The Manager must report forthwith to the parties any major discovery within the Marampa Project but except where required by law or by the rules or requirements of the recognised stock exchanges exploration data and investments results must be kept confidential and must not be publicly released without the prior written approval of the parties. Where disclosures are required by law or by the rules of recognised stock exchanges the party intending to make the disclosure must not do so unless and until the other party has received a copy of the text of the proposed disclosure.

## Schedule 2

### Marampa Warranties

1. The following information in relation to Marampa is true and accurate:

**Registered number:** 39699

**Date of Incorporation:** 5 March 2007

**Place of Incorporation:** Bermuda

**Authorised share capital:** US\$100.00 divided into 100 ordinary shares of par value US\$1.00 each

**Issued share capital:** 100 ordinary shares of par value US\$1.00 each

**Authorised share capital on Completion:** US\$143.00 divided into 100 A Shares of par value US\$1.00 each and 43 B Shares of par value US\$1.00 each

**Issued share capital on Completion:** 100 A Shares of par value US\$1.00 each; and 43 B Shares of par value US\$1.00 each

**Registered office:** Chancery Hall, 52 Reid Road, Hamilton HM12, Bermuda

**Directors:** Frank Timis  
Jamie Alpen

**Resident Representative:** Roderick Forrest

**Secretary:** Nicholas J Hoskins

**Assistant Secretary:** M Q Services Limited

**Accounting reference date:** 31 December

2. **Title:** AML is the sole legal and beneficial owner of all of the issued shares in the capital of Marampa as at the date of this agreement which are free of all Encumbrances excluding the allotment of the Marampa 'B' Shares to CLIO under clause 2.3 of this agreement. Marampa is the sole legal and beneficial holder of 9,999 shares out of 10,000 of the issued shares in the capital of Marampa SL.
3. **No right to subscribe:** Save as provided for in this agreement, no person has any right or option to subscribe for or otherwise to acquire any further shares in Marampa or, so far as Marampa or AML are aware, Marampa SL.
4. **No options:** Save as provided for in this agreement or in the articles of association of Marampa SL, there are no outstanding options, contracts, calls, rights of first refusals, commitments, rights or demands of any kind relating to the issued or unissued capital of Marampa or, so far as Marampa or AML are aware, Marampa SL.
5. **No other allotments:** Save as provided for in this agreement, neither Marampa nor Marampa SL is under any obligation to allot any shares to any person or persons, or otherwise to alter the structure of any part of its unissued share capital, and, save as provided in this agreement, neither Marampa nor Marampa SL is under any obligation to give any option over any part of their respective unissued share capital nor has Marampa or Marampa SL offered to do any of the matters stated in this paragraph 5.
6. **Consents:** Subject to the bye-laws of Marampa, Bermudian companies legislation and any necessary approvals from its board of directors and the Bermuda Monetary Authority, Marampa is able to issue shares without the consent of any other person and free of any pre-emptive rights or rights of first refusal.
7. **No legal impediment:** The execution and delivery of this agreement by Marampa and AML and the performance of the respective obligations of Marampa and AML expressly set out in this agreement complies with:
  - (a) each law, regulation, authorisation, ruling, judgement, order or decree of any government agency respectively applicable to it;
  - (b) their relevant constitution or other constituent documents; and
  - (c) any binding security interest or document.
8. **No Event of Insolvency:** No event of insolvency has occurred in relation to Marampa or AML nor is there any act which has occurred or any omission made by Marampa or

AML which is likely to result in an event of insolvency occurring in relation to Marampa or AML.

9. **No litigation:** Neither Marampa, AML, Marampa SL nor the directors of AML, Marampa SL or Marampa (in their capacity as directors of those companies) are involved in any litigation, arbitration or administrative proceeding relating to claims or amounts relating to Marampa, Marampa SL or the Marampa Project nor is any such litigation, arbitration or administrative proceeding pending (having been served) and AML, Marampa SL and Marampa have not received a threat of such proceedings.
10. **Investigations:** Neither Marampa nor either of its directors (in their capacity as directors of Marampa) is the subject of any investigation by any regulatory body of Bermuda or Sierra Leone or, so far as AML or Marampa are aware, any other country nor, so far as Marampa or AML is aware, is any such investigation pending (in respect of which Marampa or either of its directors has received notice) and neither Marampa nor either of its directors has received a threat of such an investigation.
11. **Tax Investigations:** Marampa is not the subject of any investigation or audit by any relevant governmental authority in Bermuda or Sierra Leone or, so far as AML or Marampa are aware, of any other country nor is any such investigation or audit pending (in respect of which Marampa has received notice) and Marampa has not received a threat of such an investigation or audit.
12. **Compliance with laws:** Marampa, Marampa SL and its directors (in their capacity as directors of Marampa and/or Marampa SL) are not in material breach of any provision of any laws relevant to its operations as carried on at the date of this agreement or the entering into of this agreement.
13. **Consistency:** The terms of this agreement do not contravene the provisions of any other agreements or contract to which Marampa or Marampa SL is a party (**Other Agreements**) and the terms of this agreement are not inconsistent with the provisions of any Other Agreements in a manner which would have a material adverse effect on such Other Agreements.
14. **Subsidiaries:** Marampa only has one subsidiary, being Marampa SL.
15. **Contracts:** All material contracts, instruments or other commitments to which Marampa and, so far as AML or Marampa are aware, Marampa SL is a party are valid and binding according to their respective terms and so far as Marampa or AML is aware (not having made any enquiry of any counterparty) no party to any material such

commitment or contract is in material default under the terms of that commitment or contract.

16. **Loans:** Save for inter company loans, neither Marampa nor Marampa SL has any loans payable or any other liabilities associated with any forgiven loans.
17. **Marampa Balance Sheet Accounts:**
- (a) The Marampa Balance Sheet (a copy of which is attached to the Disclosure Letter) gives a materially accurate view of the assets and liabilities of Marampa as at 31 December 2007 (the **Balance Sheet Date**).
  - (b) Since the Balance Sheet Date, there has been no material change to the Marampa Balance Sheet.
18. **Records properly kept:** All books of accounts and other records of material significance of Marampa and Marampa SL:
- (a) have been properly and accurately kept and completed in all material respects in accordance with what would reasonably be regarded as proper business and accounting practice in Bermuda and in accordance with all legislation applicable to companies incorporated in Bermuda;
  - (b) have not had any material records or information removed from them;
  - (c) do not contain or reflect any material inaccuracies or discrepancies; and
  - (d) are in the possession, custody or control of Marampa.
19. **Assets Owned by the Company:** All investments and debtors of Marampa and Marampa SL are:
- (a) legally and beneficially owned by Marampa or Marampa SL (as the case may be) free of Encumbrances (and, in particular, no such assets are the subject of any hire purchase agreement or credit purchase agreement or any agreement for payment of deferred terms); and
  - (b) not used by any person, other than Marampa or Marampa SL (as the case may be).
20. **Licences obtained:** Each of Marampa and Marampa SL has all authorisations, licences, consents, permissions, authorities and permits which Marampa SL reasonably considers to be necessary to conduct its business in the manner in which it



is carried out at the date of this agreement (**Licences**) and has paid all fees due in relation to the Licences and complied, in all material respects, with all conditions under the Licences.

21. **No Liability to Taxation:** Save for annual Bermuda registration fees (not exceeding \$15,000 as at the date of this agreement), Marampa and Marampa SL has no liability to Taxation.
22. **Marampa Project:**
- (a) Marampa SL is the legal and beneficial owner of all of the Exploration Licence;
  - (b) no person except Marampa SL has any rights of any nature in respect of the Exploration Licence;
  - (c) the Exploration Licence is free from all Encumbrances;
  - (d) the Exploration Licence is in full force and effect and not liable to cancellation or forfeiture for any reason and, so far as AML or Marampa are aware, Marampa SL has not received any notification in writing of a material breach or contravention of any terms and conditions upon which the Exploration Licence was granted;
  - (e) there is not in existence any current compensation agreement with the owner or occupier of any land which is subject to the Exploration Licence nor any royalty arrangement of whatever nature in respect of the Exploration Licence;
  - (f) Marampa SL is not in material default of any registry deadline to pay money or submit documents in respect of the Exploration Licence.
  - (g) no termination or revocation notice has been served on Marampa SL in respect of the Exploration Licence; and
  - (h) Marampa is not aware of any circumstances which are likely to give rise to the Exploration Licence being revoked or rescinded other than the LMP Claim.

### **Schedule 3**

#### **Feasibility Study – CLIO Obligations as Manager**

##### **1 Conduct of services**

- (a) CLIO (in its capacity as Manager and references in this Schedule to CLIO is solely in its capacity as Manager) shall carry out and perform the Feasibility Study:
- (i) with all due skill, care and diligence and with appropriately experienced, qualified and trained personnel;
  - (ii) in a lawful, efficient and workmanlike manner and in accordance with this agreement and the terms and conditions of the Exploration Licence; and
  - (iii) as soon as reasonably practicable.
- (b) CLIO in performing the Feasibility Study shall use sound engineering principles and good mining field practices, shall work to at least the same standard of performance customarily provided by reputable contractors to major mineral exploration and without limiting the generality of the foregoing production companies in the international mining industry and, with respect to the performance of the Feasibility Study, shall perform the Feasibility Study in accordance with such specifications as may be agreed as part of the work programme for the Feasibility Study.

##### **2 Exploration licence**

CLIO shall not take any action or omit to take any action that would infringe or prejudice or be likely to lead to Marampa SL's rights under the Exploration Licence being wholly or partially revoked, rescinded, terminated, avoided, adversely modified or affected or repudiated or not renewed or the imposition of any limitation on or the divesture by Marampa SL of all or any of its rights or interest in the Exploration Licence.

##### **3 Business standards**

- (a) In carrying out and performing the Feasibility Study, CLIO shall establish and maintain appropriate business standards, procedures, policies and controls

including those necessary to avoid any real or apparent impropriety or adverse impact on the interests of any member of the AML Group or the directors, officers or employees of any member of the AML Group.

- (b) The business standards, procedures, policies and controls referred to in paragraph 3(a) above shall be consistent with the business standards, procedures, policies and controls of Marampa SL and/or Marampa and/or AML. Marampa and/or AML shall have the right to review the standards, procedures, policies and controls established and maintained by CLIO at all times during the performance of the Feasibility Study.
- (c) CLIO shall ensure that its employees, agents and subcontractors understand that they are required to abide by all safety rules, procedures, policies and regulations imposed by CLIO and AML and/or Marampa and/or Marampa SL.
- (d) AML and Marampa shall have the right to subject all or part of CLIO's machinery, equipment and employees to such technical, safety and environmental audits as are considered necessary by Marampa and/or AML to verify CLIO's compliance with its obligations under this paragraph 3.
- (e) CLIO shall immediately notify Marampa in writing upon its discovery of any failure to comply with this paragraph 3.

#### 4 **Permits and licences**

CLIO shall procure that Marampa SL to promptly file all declarations and obtain and maintain all government permits, licences, approvals, registrations and authorisations required to carry out and perform the Feasibility Study.

#### 5 **Applicable laws and regulations**

CLIO shall perform the Feasibility Study in accordance with all applicable laws, governmental (whether local or national) regulations, ordinances, permits, licences, approvals, registrations, authorisations, decrees, orders, rules, requirements and other regulatory directives.

#### 6 **Accounting Records**

- (a) CLIO shall maintain proper and complete accounting and other records relating to the Marampa Project so as to comply with all legislation applicable to companies incorporated in Bermuda and in accordance with all International Financial Reporting Standards and International Accounting

Standards and shall establish procedures in relation thereto so as to provide AML with a reasonable basis for it to make a proper judgment on an ongoing basis as to the financial position and prospects of Marampa and the Marampa Project so as to enable AML to comply with the AIM Rules and CLIO to comply with the rules of the ASX and the AIM Rules;

- (b) CLIO shall at all reasonable times (providing reasonable notice has been given) afford to any director of AML or Marampa and any authorised officer of AML or Marampa or its auditors to have full access to the books and other records relating to the Marampa Project as maintained by CLIO and any such director and any such officer and the auditors shall be entitled at its expense to take copies thereof. CLIO shall at the request of any director of AML or Marampa give all such information, documents and explanations concerning the Marampa Project and its records as that director may reasonably require;
- (c) CLIO shall not knowingly do or commit any act, matter or thing which would or would be reasonably likely to prejudice or to bring into disrepute in any manner the business or reputation of AML, or any company within the AML Group (including Marampa and Marampa SL).
- (d) AML shall not knowingly do or commit any act, matter or thing which would or would be reasonably likely to prejudice or to bring into disrepute in any manner the business or reputation of CLIO, or any company within the CLIO Group.

7 **Marampa to act as principal**

All contractual obligations incurred by CLIO pursuant to this agreement shall be in the name of **Marampa** as principal.

8 **Health and safety**

- (a) CLIO shall observe, be bound by and comply (and ensure compliance by its employees, agents and subcontractors) with all applicable environmental and occupational health and safety standards and regulations.
- (b) In the event of any breach of paragraph 10(a), CLIO shall:
  - (i) immediately correct such breach. If the breach is not immediately remedied to AML or Marampa's reasonable satisfaction AML or

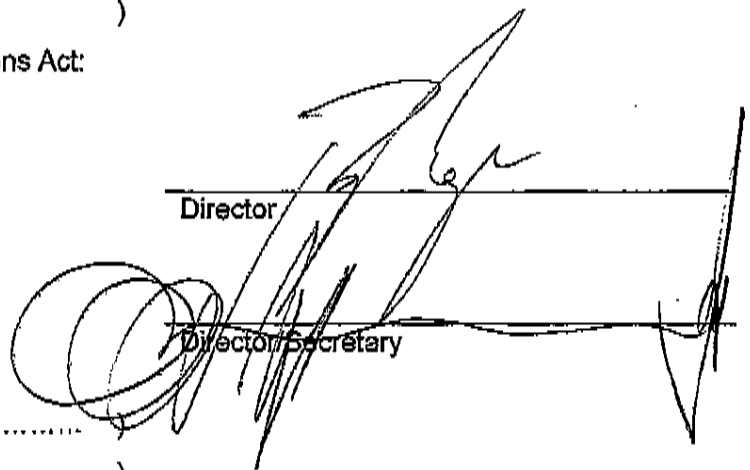
Marampa may totally or partially suspend the performance of the Feasibility Study until compliance is achieved. All costs and risk derived from such suspension will be at CLIO's expense and responsibility; and

- (ii) indemnify and keep indemnified AML, Marampa, Marampa SL and any other member of the AML Group from and against all losses arising from such breach by CLIO.
- (c) CLIO shall be fully responsible and accountable for safety in relation to its carrying out and performing the Feasibility Study including but not limited to the safety and security of its employees, agents and subcontractors and any other person (including representatives and employees of Marampa SL) and all equipment, machinery and property (including the machinery and equipment belonging to Marampa SL) affected by the carrying out and performance of the Feasibility Study.
- (d) CLIO shall carry out the Feasibility Study in a safe manner. CLIO shall report to AML and Marampa SL within twenty-four (24) hours all accidents/incidents.
- (e) CLIO shall upon notice in writing from AML or Marampa withdraw any statement and discontinue any public announcement that Marampa reasonably considers to be so detrimental.

**EXECUTED BY** )  
**CAPE LAMBERT IRON ORE LIMITED** )  
**(ACN 095 047 920)** )

in accordance with the Corporations Act:

Director \_\_\_\_\_  
 Director/Secretary \_\_\_\_\_



**Signed by** ..... )  
 ..... )  
 duly authorised for and on behalf of )  
**AFRICAN MINERALS LIMITED** )

executed in accordance with applicable laws

sign here:

\_\_\_\_\_  
[title of authorised signatory]

print name: \_\_\_\_\_

**Signed by** ..... )  
 ..... )  
 duly authorised for and on behalf of )  
**MARAMPA IRON ORE LIMITED** )

executed in accordance with applicable laws

sign here:

\_\_\_\_\_  
[title of authorised signatory]

print name: \_\_\_\_\_

**EXECUTED BY**  
**CAPE LAMBERT IRON ORE LIMITED**  
**(ACN 095 047 920)**

in accordance with the Corporations Act:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

**Signed by Vasile Timis**  
duly authorised for and on behalf of  
**AFRICAN MINERALS LIMITED**  
executed in accordance with applicable  
laws

sign here:

\_\_\_\_\_  
Executive Chairman

print name: V Timis  
\_\_\_\_\_

**Signed by Vasile Timis**  
duly authorised for and on behalf of  
**MARAMPA IRON ORE LIMITED**  
executed in accordance with applicable  
laws

sign here:

\_\_\_\_\_  
Director

print name: V Timis  
\_\_\_\_\_

## **Appendix A – Exploration Licence**