SALAU TUNGSTEN

FARM-IN AND JOINT VENTURE AGREEMENT

Between

VARISCAN MINES SAS

and

JUNIPER CAPITAL PARTNERS LIMITED

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Salau Tungsten Farm-in and Joint Venture Agreement

Dated 10th May 2014

Parties

**Farminor and Manager**
- **Name**: Variscan Mines SAS (registered in France)
- **Address**: 16 Rue Leonard de Vinci
  45 000 Orleans, la Source, France
- **Email**: m.bonnemaison@variscan.fr
- **Fax**: +33 238 510327
- **Authorised Officer**: Dr Michel Bonnemaison
  Directeur General

**Farminee**
- **Name**: Juniper Capital Partners Limited (registered in the BVI under number LP015389)
- **Address**: One Raffles Quay
  Level 25, North Tower
  Singapore 048583
- **Email**: akejriwal@junipcap.com
- **Fax**
- **Authorised Officer**: Shahzad, Ashfaq,
  CEO Juniper Capital Partners Limited

Recitals

A. The Farminor proposes to make application in its own name for the Tenements set out in Schedule 2.

B. The Joint Venturers have agreed to enter into a joint venture to explore for Minerals in the area of the Tenements on the terms and conditions set out in this agreement.

C. The Manager has agreed to act as the first manager of the Joint Venture in accordance with this agreement.

Agreed

1 **Definitions and interpretation**

1.1 **Definitions**

Unless the context otherwise requires, the following expressions have the respective meanings in this agreement (including the Recitals):

**Agreed Interest Rate** means LIBOR plus 2 percent, calculated on a daily basis and compound with monthly resets, or such other interest rate agreed by the parties.

**Approvals Period** has the meaning given to it in clause 2.2.

**Approved Programme and Budget** means a work programme and budget relating to Joint Venture Activities for a particular period which has been approved or deemed to have been approved by the Management Committee under this agreement.
Area of Influence has the meaning specified in Schedule 1.

Assign means to sell, assign, farm-in, farm-out, transfer, sub-lease or otherwise deal with the whole or any part of a Joint Venture Interest.

ASX means ASX Limited (ACN 008 624 691), or its lawful successor.

Auditor means a registered company auditor under the laws of France appointed by the Management Committee at the cost of the Joint Venture to conduct an audit each Year of the accounts of the Joint Venture.

Authorisation is any consent, authorisation, registration, filing, lodgement, notification, agreement, certificate, commission, lease, licence, permit, approval or exemption from, by or with an Authority (including the Tenements).

Authorised Officer means the person nominated by a party on page 1 of this agreement, or any person replacing the nominated person as its authorised officer by notice given in accordance with this agreement.

Authority is any government department, local government council, government or statutory authority or any other party under a Law which has a right to impose a requirement or whose consent is required with respect to Joint Venture Activities.

Bankable Feasibility Study means a Feasibility Study that is of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of the Mining activities contemplated in the study and is capable of supporting a Decision to Mine.

Breach Default Event is the happening of an Insolvency Event in relation to a Joint Venturer or a Joint Venturer committing a material breach of any of its material obligations under this agreement (other than an Unpaid Monies Default Event), including where an Encumbrance (other than an Encumbrance approved by the Joint Venturers under this agreement) is created over or attached to the Joint Venture interest of a Joint Venturer.

Called Sum means the Percentage Share of funds required to be contributed by a Joint Venturer, in accordance with this agreement, to finance Joint Venture Activities.

Commencement Date means the date on which the last of the Conditions Precedent have been satisfied or waived in accordance with this agreement or, if there are no Conditions Precedent, then the date of this agreement.

Conditions Precedent means the conditions specified in Schedule 1 which are required to be satisfied or waived for this agreement to be effective.


Decision to Mine means a decision made by the Management Committee to proceed to Development and Mining of a Deposit located within the Tenements.

Default Event means a Breach Default Event or an Unpaid Monies Default Event.

Defaulting Joint Venturer means a Joint Venturer which has committed a breach of this agreement, whether as an Unpaid Monies Default Event or a Breach Default Event or to which (or to a Related Body Corporate of which) a Breach Default Event relates, which breach has not been remedied by the Joint Venturer.

Deposit means an Ore body located within the Tenements.

Development means the development of a commercial Mining operation for Minerals.
Due Date means the date on which a payment is due under this agreement.

Earn-in Date means the date on which the Farminee has satisfied its Earning Obligation and receives the Earned Interest from the Farminor. The Earn-in Date is also the date on which a Joint Venture is formed under the terms of this agreement.

Earned Interest means an 80% Joint Venture Interest earned in the Tenements under this agreement.

Earning Obligation means 2.5 million Euros in Expenditure to be undertaken and incurred by the Farminee in enabling the Manager to carry out Exploration in or about the Tenements.

Earning Period means the period commencing on the Commencement Date and ending on the Earn-in Date.

Emergency means a situation involving actual or reasonably apprehended substantial damage to or loss of Joint Venture Property or Joint Venture Activities or serious injury to persons or loss of life.

Encumbrance means any security interest, mortgage, pledge, lien, charge, title retention arrangement, trust or power or other form of security or interest having effect as a security for the payment of any monetary obligation or interest or the observance of any other obligation whether existing or agreed to be granted or created.

Expenditure has the meaning specified in Schedule 3.

Expert means a person independent of the parties who is suitably qualified and capable of making an expert determination under this agreement in accordance with, and subject to, the Institute of Arbitrators & Mediators Australia Expert Determination Rules.

Exploration means searching for, discovery and delineation of commercial Deposits in the JV Area and the evaluation of such Deposits, including prospecting, surface mapping, sampling, aerial mapping and reconnaissance, drilling, trenching and related field work, geophysical and geochemical testing, core sampling; assaying; exploration declines; test mining; analysis and evaluation of activities undertaken and results obtained, conducting preliminary feasibility studies, preparing Feasibility Studies reports, and planning, supervising and administrating all activities undertaken, including the reopening of blocked declines, development work and bulk sampling, for the purposes of a Feasibility Study, but does not include Development, Mining or Treatment.

Facility means the finance facility in the amount of 25 million Euros to be established by the Farminee for the benefit of the Joint Venture.

Feasibility Study means a study of the technical, commercial and economic feasibility of Development and Mining in the JV Area and producing Minerals in significant commercial quantities, which includes all available exploration, geological, engineering and other relevant data and capital and operating cost estimates and (if appropriate) marketing studies in sufficient detail to enable options for optimum Development, Mining and Treatment to be identified in reasonable detail, including:

(a) exploration results and estimates of Mineral Resources, and Proven and Probable Ore Reserves (all as defined in the JORC Code);

(b) the proposed methods of Development, Mining and Treatment, including the extraction, beneficiation and transportation of the Ore and the Treatment and production of Minerals, including waste disposal;
(c) an estimate of operating levels, environmental costs, shutdown and rehabilitation costs, including an estimate of required capital expenditure and operating costs;

(d) an economic evaluation of the proposed Development, Mining and Treatment and the marketing and sale of the Minerals including a comparative analysis of the effect of various assumptions, financing methods, operating costs and taxation; and

(e) a schedule of relevant Authorisations required to be obtained before Mining may commence,

and includes any preliminary, scoping or pre-feasibility study.

**Gross Negligence** means such wanton and reckless conduct as constitutes an utter disregard for the harmful, foreseeable and avoidable consequences which result from that conduct.

**Insolvency Event** means the happening of any of the following events in relation to a body corporate:

(a) it is unable to pay all its debts as and when they become due and payable;

(b) a resolution is validly passed to wind up the body corporate voluntarily or to appoint an administrator, receiver or controller;

(c) it, or any other person, makes an application to a court for its winding up, being an application that is not stayed, withdrawn or dismissed within 7 days;

(d) an order is made for it to be wound up; or

(e) it proposes to enter into or enters into any form of arrangement (formal or informal) with its creditors or any of them.

**Joint Venture** means the unincorporated joint venture to be established by and under this agreement.

**Joint Venture Activities** means all Exploration activities involved in the acquisition, use, development, operation and maintenance of Joint Venture Property and all other activities, undertakings, and operations engaged in by the Joint Venturers under this agreement, but do not, unless otherwise agreed in writing, include Development, Mining, Treatment or the marketing or sale of Minerals.

**Joint Venture Expenditure** means all costs reasonably and properly incurred by the Manager on behalf of the Joint Venture in connection with Joint Venture Activities under an Approved Programme and Budget or incurred in an Emergency or as a permitted cost overrun or as otherwise approved by the Management Committee.

**Joint Venture Intellectual Property** means all business names, trademarks, copyright, patents, patent applications, discoveries, inventions, and similar rights developed by the Manager under an Approved Programme and Budget in the course of Joint Venture Activities.

**Joint Venture Interest** means the following rights, liabilities and obligations of a Joint Venturer determined under this agreement:

(a) the obligation, subject to the terms of this agreement, to contribute its Percentage Share of all Joint Venture Expenditure;

(b) the ownership of and the right to receive in kind and to dispose of for its own account its Percentage Share of Minerals produced by the Joint Venture;
the beneficial ownership as a tenant in common of an undivided share in its Percentage Share of Joint Venture Property; and

all other rights, liabilities and obligations accruing to or incurred by the Joint Venturers in or arising out of this agreement in its Percentage Share.

Joint Venture Property means all rights, titles, interest, claims, benefits and all other property of whatever kind, real or personal, from time to time owned by any Joint Venturer for the purposes of the Joint Venture, and includes the Tenements and the Joint Venture Intellectual Property.

Joint Venturer means a party which holds a Joint Venture Interest, but does not include a party in its capacity as Manager.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as adopted by the Australasian Joint Ore Reserves Committee (JORC), which is sponsored by the Australian mining industry and its professional organisations, for the purposes of compliance with the Listing Rules.

JV Area means the area of the Tenements set out in Schedule 2 and depicted on the JV Area map annexed to Schedule 2 (if any), and any other Tenements applied for or acquired for the purposes of this agreement, or such other area as is agreed in writing by all Joint Venturers.

Law means applicable legislation including regulations, by-laws, and other subordinate legislation, the requirements and guidelines of any Authority including the Listing Rules, with which a party is legally required to comply, and common law and equity.

Listing Rules means the ASX Listing Rules or, to the extent that a party or its Related Body Corporate is bound thereby, the listing rules of another recognised stock exchange.

Majority Vote means a resolution voted in favour by representatives entitled to vote and be present at the meeting which satisfies the Passmark, excluding for this purpose the votes held by a Defaulting Joint Venturer.

Management Committee means the committee of Joint Venturers, including the Manager, established under this agreement to supervise the management of the Joint Venture.

Management Fee means the remuneration payable by the Joint Venturers to the Manager under this agreement as specified in Schedule 1.

Manager means the person or entity named as Manager in Schedule 1 or such other person or entity as may be engaged or appointed by the Management Committee as Manager from time to time under this agreement.

Mineral or Minerals means the mineral or minerals specified in Schedule 1.

Minimum Interest means the Percentage Share specified in Schedule 1.

Mining means all operations associated with the extraction of Ore on a commercial basis, including pre-stripping, and removal and disposal of overburden and waste, but does not include Exploration, Development or Treatment.

Mining Act means the mining legislation noted in Schedule 1.

Mining Information means all information, data and records relating to the Tenements and Joint Venture Activities including all surveys, maps, aerial photographs, electronically stored data, drawings, memoranda, drill cores, drill core logs, geophysical, geological or drill maps, sampling and assay reports and notes.
Nominated State is the country specified in Schedule 1.

Non-Defaulting Joint Venturer means a Joint Venturer which is not a Defaulting Joint Venturer and is not a Related Body Corporate of a Defaulting Joint Venturer.

Ore means any mineral or mixture of Minerals of intrinsic economic interest located in or on the Earth's crust at a concentration above background level.

Particulars means the particulars of a party and the Joint Venture given on page 1 of this agreement, or any particular amended by the party by notice given in accordance with this agreement.

Passmark means the requirements needed to be satisfied as specified in Schedule 1 to pass a resolution of the Management Committee by a Majority Vote.

Paying Joint Venturer means a Joint Venturer, not being a Defaulting Joint Venturer, which makes a payment of Unpaid Monies on behalf of a Defaulting Joint Venturer in order to remedy an Unpaid Monies Default Event.

PER means Permis Exclusif de Recherche, a French exploration licence.

Percentage Share means the percentage Joint Venture Interest that a Joint Venturer has in the Joint Venture in accordance with this agreement.

Proposed Programme and Budget means a work programme and budget for a given Year, or other relevant period, in relation to the conduct of Joint Venture Activities proposed in accordance with this agreement.

Rehabilitation Obligations means the obligations of the Joint Venturers under the relevant Mining Act, all Tenements and Authorisations, and all applicable statutory and contractual obligations relating to the rehabilitation, revegetation and cleaning up of the JV Area during and following completion of Joint Venture Activities.

Related Body Corporate means a related body corporate as defined in the Corporations Act.

Shutdown Costs means all costs associated with shutting down all Joint Venture Activities within the JV Area including the costs associated with satisfaction of the Rehabilitation Obligations and any redundancy or termination benefits or payments to any consultant or contractor or employee who is engaged by the Manager in the conduct of Joint Venture Activities, but only to the extent of the period for which an employee was engaged in Joint Venture Activities.

Tenement means the mining exploration tenement or tenements, or tenement application or applications, listed in Schedule 2 and includes any PER, lease, licence, claim, permit or other authority issued or to be issued under the Mining Act on the application or authority of one or more of the Joint Venturers for the purposes of the Joint Venture which confers or may confer a right to prospect, explore for or mine any Mineral in the JV Area, or which may facilitate the enjoyment of such right, and includes any application for, and any extension, renewal, conversion or substitution of, any of those tenements.

Third Party means a person not a party, or the Related Body Corporate of a party, to this agreement.

Treatment means the processing, smelting, and refining of Ore up to and including a product stage, and includes crushing, weighing, sampling, assaying, refining, treatment, transportation, handling, storage, loading and delivery of the Mineral and its associated Ore, overburden and waste, but does not include Mining.
Ultimate Holding Company means an ultimate holding company as defined in the Corporations Act.

Unanimous Vote means a resolution in respect of the matters specified in Schedule 1, or otherwise specified in this agreement, which is voted in favour by all representatives entitled to vote and be present at the meeting, excluding for this purpose the votes held by a Defaulting Joint Venturer.

Unpaid Monies are monies due for payment under this agreement, and include monetary compensation and damages payable by a Defaulting Joint Venturer which is agreed, awarded or determined following an unremedied Breach Default Event for so long as it is unpaid, and interest and costs payable or reimbursable in accordance with this agreement.

Unpaid Monies Default Event is the failure by a Joint Venturer to pay Unpaid Monies on or before the Due Date.

VAT Law means applicable legislation providing for value added taxes in France.

Wilful Misconduct means an act or omission that is a reckless and intentional disregard of:

(a) any provision of this agreement;
(b) any Approved Programme or Budget, except in the case of an Emergency;
(c) any Law required to be observed in connection with Joint Venture Activities; or
(d) the terms or conditions of a Tenement,

but does not include any error of judgement or mistake made by the Manager or any of its directors, employees, agents or contractors in the exercise, in good faith, of any function, authority or discretion conferred upon the Manager.

Year means the year specified in Schedule 1.

1.2 Interpretation

In this agreement, unless the context otherwise requires:

(a) the singular includes the plural and vice-versa;
(b) headings do not affect the interpretation of this agreement;
(c) a reference to a party means a party to this agreement as listed in the Particulars and includes that party’s executors, administrators, substitutes, successors and permitted Assigns;
(d) references to a part, clause, schedule, exhibit and annexure refers to a part, clause, schedule, exhibit or annexure of, in or to this agreement;
(e) a reference to this agreement includes all schedules, exhibits and annexures to this agreement;
(f) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued under, that legislation or legislative provision;
(g) a reference to a day, month or year is relevantly to a calendar day, calendar month or calendar year;
(h) the expressions “including”, “includes” and “include” have the meaning as if followed by “without limitation”;
(i) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(ii) a party may exercise a right or remedy or give or refuse its consent in its absolute and unfettered discretion (including by imposing conditions), unless this agreement expressly states otherwise; and

(k) no rule of construction is to apply to the disadvantage of a party on the basis that that party drafted the whole or any part of this agreement.

2 Conditions precedent

2.1 Coming into effect of agreement

This clause 2 and clauses 1 (definitions), 17 (confidentiality), 22 (notices) and 0 (ancillary) come into effect immediately. The remainder of this agreement comes into effect on the Commencement Date and the Joint Venture is formed on the Earn-in Date.

2.2 Satisfaction of Conditions Precedent

(a) Each party must use all reasonable endeavours (other than waiver) at its cost to ensure that the Conditions Precedent are satisfied on conditions acceptable to it as soon as reasonably practicable, and within the time specified in Schedule 1 (Approvals Period).

(b) Each party must keep each other informed of its progress in obtaining satisfaction of any Condition Precedent it is required to obtain and any circumstance that may result in any of those conditions not being satisfied in accordance with its terms.

(c) Each party must give the other parties notice within 7 days after receiving notice of the conditions whether the conditions for the satisfaction of a Condition Precedent (if any) are acceptable, or unacceptable, to it.

2.3 Failure to satisfy Conditions Precedent

If all Conditions Precedent are not satisfied, or otherwise waived, within the Approvals Period, or if a party gives notice to the other parties within the Approvals Period that the conditions of satisfaction of a Condition Precedent imposed by a Third Party are unacceptable to it, any party may terminate this agreement by notice to the others.

2.4 Consequence of failure to satisfy Conditions Precedent

If a party terminates this agreement by notice for failure to obtain satisfaction of a Condition Precedent for any reason, then each party is released from all further obligations under this agreement, other than the obligations of confidentiality, and no party has any claim against another party as a consequence of the termination.

3 Representations and Warranties

3.1 Warranties

(a) The Farminor warrants as at the date of this agreement, for the benefit of the Farminee, that it intends to apply for the Tenements in its own name, free of Encumbrances or claims by Third Parties, at its sole cost.

(b) The Farminor warrants that it is a 100%-owned subsidiary of Variscan Mines Limited (ACN 003 254 395), formerly PlatSearch NL., a company incorporated in Australia and listed on ASX with the ticker code VAR.

3.2 Mutual Warranties

Each party warrants for the benefit of each other party that:
(a) **Incorporation** it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation;

(b) **Power and capacity** it has full power and capacity to enter into and perform its obligations under this agreement;

(c) **Corporate authorisations** all necessary authorisations for the execution, delivery and performance by it of this agreement in accordance with its terms have been obtained;

(d) **No legal impediment** its execution, delivery and performance of this agreement complies with its constitution and does not constitute a breach of any law or obligation, or cause a default under any agreement by which it is bound; and

(e) **No trust** it enters into and performs this agreement on its own account and not as trustee for or nominee of any other person.

### 3.3 Mutual Covenants

Each party covenants and agrees as a separate covenant with the other party:

(a) to perform every obligation and commitment that it has in relation to the Tenements under the Mining Act or other applicable legislation;

(b) to perform its obligations under or relating to the fulfilment of any contract that relates to this agreement;

(c) not to do or cause to be done any act matter or thing whereby the continued enjoyment of the Tenements by a party might be jeopardised;

(d) not to engage either alone or in association with another or others or through a Related Body Corporate in any activity within the Area of Influence except as provided or authorised by or under this agreement;

(e) to act co-operatively, honestly and reasonably in all its dealings with each other and the Manager concerning this agreement provided that, except as expressly provided by this agreement, no party is under any fiduciary or other duty to the other parties or the Manager;

(f) that it will take full responsibility for environmental liabilities and Rehabilitation Obligations associated with a Tenement caused while it is sole-funding Expenditure on Exploration and Development on that Tenement;

(g) that each party has the unrestricted right to engage in and receive the full benefit of any competing activities outside the Area of Influence; and

(h) subject to the confidentiality provisions of this agreement, that each Joint Venturer is entitled to use and apply Mining Information outside the JV Area, provided that such activities are carried out in a manner which does not prejudice, impair or impede Joint Venture Activities.

### 4 Earn-in

#### 4.1 Expenditure Requirements

(a) The Firmnee shall have earned its Earned Interest in the Tenements when it has expended the amount of the Earning Obligation on the Tenements within 36 months of the Commencement Date.

(b) The Firmnee must spend the Earning Obligation, in total, within 36 months of the Commencement Date. The Firmnee agrees and acknowledges that the Earning Obligation shall be a binding obligation of the Firmnee, subject to the terms of this agreement, upon execution of
this agreement, provided that the Farminee shall not be under any obligation to spend any amount before the Commencement Date.

(c) For the avoidance of doubt, the Farminee is sole spending on the Tenements to earn the Earned Interest.

(d) Once the Farminee earns the Earned Interest, the Farminor is free carried as to a 20% Joint Venture Interest to the earlier of completion of a Bankable Feasibility Study or Expenditure of 25 million Euros, whichever comes first. For the avoidance of doubt, the Farminor is under no obligation at any time to contribute to Expenditure, or reimburse any Expenditure incurred during the period commencing on the Commencement Date and ending on completion of a Bankable Feasibility Study or Expenditure of 25 million Euros by the Farminee.

(e) Notwithstanding anything to the contrary in this agreement, the Farminor is solely responsible for the preparation of the application for the PER and the Tenements. The Farminor shall bear all costs and expenses relating to the application for the PER and the Tenements and all formalities relating to the grant and maintenance of the PER and the Tenements up until the Commencement Date.

4.2 Earn-in Rights and Obligations

(a) The Farminor grants to the Farminee the sole and exclusive right to access and explore the Tenements at the Farminee’s sole cost during the Earning Period and acknowledges that the Farminee may lodge a caveat or register this agreement against the Tenements or take other reasonable actions to protect its interest under this agreement.

(b) During the Earning Period, the Farminee, acting through the Manager, must undertake, incur and satisfy the Earning Obligation in carrying out Exploration in the JV Area. Any amount spent by the Farminee on the Tenements, including any amount spent pursuant to clause 4.3(a) below shall be deemed included in and shall count towards the satisfaction of the 2.5 million Euros Earning Obligation of the Farminee.

(c) On the Farminee satisfying the Earning Obligation in the JV Area before the end of the Earning Period, the Farminee will earn its Earned Interest.

(d) The Farminee may withdraw from this agreement by giving not less than 30 days’ prior notice to that effect to the Farminor and, from the effective date of such notice of withdrawal, the Farminee will not:

(i) incur any further liability in respect of the Tenements or be liable to fund any further Expenditure in the JV Area; and

(ii) will not be entitled to acquire any right, title or interest in the Tenements

but will remain liable for any obligations accruing under this agreement prior to the effective date of the withdrawal.

(e) Once the Farminee satisfies the Earning Obligation within the Earning Period, it is entitled to call for and obtain a transfer from the Farminor of the Earned Interest. The Farminor covenants that it will have sufficient interest in the Tenements at the end of the Earning Period to be able to carry out its transfer obligations under this clause.

(f) Upon the Farminee undertaking, incurring and satisfying the Earning Obligation, the Farminee shall earn its Earned Interest and a Joint Venture will be formed under this agreement.
(g) For the avoidance of doubt, if the Farminnee does not satisfy the Earning Obligation in the JV Area before the end of the Earning Period, the Farminnee shall be deemed to have withdrawn from this agreement and the provisions of clause 4.2(d) shall apply.

(h) During the Earning Period, the Farminor must not voluntarily relinquish acreage or surrender any other rights held under a Tenement. If the Farminor is required to do so under the Mining Act it must first agree with the Farminnee the area of the Tenements to be surrendered to comply with the compulsory relinquishment provisions of the Mining Act. During the period between the Earn-in Date and the date of transfer of title to the Tenements to the Farminnee, the Farminor shall hold the Tenements on trust for the Farminnee.

4.3 Covenants of the Manager

(a) The Manager covenants that, during the Earning Period, it will, acting on behalf of the Farminnee and towards the satisfaction of the Earning Obligation:

(i) conduct all Exploration on the Tenements in accordance with good and generally accepted mining exploration practice;

(ii) provide the Farminnee with Exploration reports quarterly, including copies of all reports filed under the Mining Act;

(iii) give a half yearly technical presentation to the Farminnee on the outcome of Exploration activities in the Tenements; and

(iv) not permit the creation of any Encumbrance or sell, assign or otherwise deal with or dispose of the whole or any part of its interest in the Tenements, except with the prior consent of the Farminnee.

Without limiting the generality of the foregoing, the obligations of the Manager in conducting Exploration on behalf of the Farminnee towards the satisfaction of the Earning Obligation shall be the same as the obligations set forth in clause 9 of this agreement, mutatis mutandis (for sake of clarity, for the purposes of this clause 4.3, the terms “Management Committee” and “Joint Venturer”, and the term “Joint Venture Activities”, used in clause 9, shall read as “Farminnee”, and “Exploration activities”, respectively).

(b) The Farminnee covenants that it will not, during the Earning Period, permit the creation of any Encumbrance or sell, assign or otherwise deal with or dispose of the whole or any part of its interest in the Tenements, except with the prior consent of the Farminnee.

(c) No later than three (3) months after the Commencement Date, and thereafter no later than one (1) month prior to the beginning of each quarter (Q+1), the Manager shall provide the Farminnee with a Proposed Programme and Budget which must include details of the programme of Exploration activities proposed for the next quarter (Q+1) and an itemised budget specifying all estimated Expenditure proposed to be charged by the Manager on a monthly basis under this agreement. Not less than 14 days after provision of a Proposed Programme and Budget, and by no later than the end of each quarter (Q), the Farminnee must adopt, with or without amendment, after discussion with the Manager as the case may be, an Approved Programme and Budget for the next quarter (Q+1). Once the Proposed Program and Budget is approved by the Farminnee, the Manager shall implement it without substantial variation.
(d) On or before the 10th day of each new quarter (Q+1), the Manager must submit to the Farminnee a billing statement of proposed Expenditure specifying the sum to be paid by the Farminnee to finance Exploration activities set out in an Approved Programme and Budget during the next quarter (Q+1). The Manager covenants that, during the Earning Period, it will not, when conducting exploration on behalf of the Farminnee, engage or incur any substantial Expenditure, cost, obligation or expense outside the Approved Programme and Budget without the prior written approval of the "Farminnee. Should expenditures incurred by the Manager breach of this clause by more than 5% of the total for each quarter, these shall be borne solely by the Manager, unless the Farminnee agrees otherwise in writing.

(e) The Manager shall be bound by the same reporting obligations as those set forth in clause 11.2 of this agreement, *mutatis mutandi* (for sake of clarity, for the purposes of this clause 4.3, the terms “Management Committee” and “Joint Venturer”, and the term "Joint Venture Activities", used in clause 11.2 shall read as “Farminnee”, and “Exploration activities”, respectively).

(f) Upon the Farminnee satisfying the Earning Obligation, the Farminnor covenants to (i) execute and deliver to the Farminnee a deed of transfer of the Tenements (in respect of the PER, such deed shall be substantially in the form of the agreement attached hereto as Exhibit A), and (ii) file such deed of transfer with the relevant governmental authorities and take all other actions necessary to obtain the transfer of title to the Tenements to the Farminnee so that the Farminnor and the Farminnee are co-owner of the Tenements according to their respective Percentage Share.

5 Establishment of Joint Venture

5.1 Formation of the Joint Venture

With effect from the Earn-in Date, the Joint Venturers agree to establish the Joint Venture as an unincorporated joint venture according to the terms and conditions contained in this agreement.

5.2 Objects and scope of the Joint Venture

(a) The objects of the Joint Venture are to:

(i) maintain the Tenements and explore the JV Area for Minerals; and

(ii) if exploration indicates the probable existence of a commercially mineable Mineral resource in any part of the JV Area, carry out a Feasibility Study, including the construction and operation of a pilot plant (if required) to test the feasibility of a production process.

(b) The scope of Joint Venture Activities under this agreement does not extend to Development or Mining or any other activity, unless all Joint Venturers otherwise agree in writing.

5.3 Development and Mining

(a) The Manager or any Joint Venturer may propose to the Management Committee that the Joint Venture undertake Development and Mining of one or more Deposits in a defined area of the Tenements (Development Proposal) which proposal must include a Bankable Feasibility Study.

(b) If the Management Committee decides by Majority Vote to accept the Development Proposal and make a Decision to Mine, each Joint Venturer must participate in an application for a mining lease over the area of the Tenements agreed to be mined (ML Area), and the Joint Venturers which voted to proceed with the Development Proposal (Proceeding Joint
Venturers) are deemed forthwith to be parties to a separate Mining joint venture agreement over the ML Area in relation to the Development Proposal on the same terms and conditions as this agreement (excluding dilution rights), with such modifications as the Proceeding Joint Venturers may agree, including:

(i) provisions dealing with Development, financing the Development, Treatment, Mining, rehabilitation and abandonment;

(ii) provisions dealing with disposition of the Minerals produced by the Joint Venture;

(iii) the execution of cross charges which encumber each party's Joint Venture Interest, and its interest in any contracts for, and the proceeds of, sale of Minerals in favour of each other party and the Manager as security for its performance of its duties and obligations arising under the Mining joint venture agreement; and

(iv) the management fee to be payable to the Manager during Development, Treatment and Mining.

(c) If a Decision to Mine is made by Majority Vote, a Joint Venturer that did not vote for the Development Proposal (Non-Proceeding Joint Venturer):

(i) is deemed to have offered to sell its Joint Venture Interest in the ML Area to the Proceeding Joint Venturers; and

(ii) within 30 days from the date the Majority Vote was passed the Proceeding Joint Venturers may elect to acquire, and the Non-Proceeding Joint Venturer must sell and transfer, such Joint Venture Interest (and if more than one, in proportion to their Percentage Shares or in such other proportions as they may agree in writing),

at a value agreed within the 30 day period or, failing agreement, at its market value at that date as determined by an Expert appointed under this agreement, who must make such determination within 30 days of his or her appointment. If all the Joint Venture Interest of the Non-Proceeding Joint Venturer in the ML Area is not acquired by the Proceeding Joint Venturers, no Development may proceed under that Development Proposal.

(d) Upon completion of the transfer of all the Non-Proceeding Joint Venturers' Joint Venture Interests in the ML Area:

(i) the ML Area is held by the Joint Venturers on trust for and at the expense of the Proceeding Joint Venturers as beneficial owners; and

(ii) the Non-Proceeding Joint Venturers cease to have any beneficial rights with respect to the Development Proposal or the ML Area.

(e) If no Joint Venturer votes for the Development Proposal within the required period then the Development Proposal will not proceed, but this does not prevent a further proposal for Development and Mining being later submitted to the Management Committee for approval.

(f) The JV Area (if any) outside a ML Area remains subject to this agreement.

5.4 Rights, obligations and liabilities of Joint Venturers
6 Joint Venture Property

6.1 Joint Venture Interests

(a) The Joint Venture Interests of the Joint Venturers as at the Commencement Date are:

<table>
<thead>
<tr>
<th>Joint Venturer</th>
<th>Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farminor</td>
<td>100%</td>
</tr>
<tr>
<td>Farminee</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

(b) The Joint Venture Interests of the Joint Venturers upon satisfaction of the Earning Obligation and as at the Earn-in Date are:

<table>
<thead>
<tr>
<th>Joint Venturer</th>
<th>Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farminor</td>
<td>20%</td>
</tr>
<tr>
<td>Farminee</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

6.2 Use and ownership of Joint Venture Property

(a) All Joint Venture Property is owned by the Joint Venturers severally as tenants in common in the proportions of their respective Percentage Shares from time to time.

(b) If Minerals are extracted from the JV Area, title to and the risk of loss of, or damage to, those Minerals passes to each Joint Venturer in proportion to its Percentage Share at the point where the Minerals are first extracted.

(c) To the extent that ownership of any Joint Venture Property is not registered or recorded in the names of the individual Joint Venturers pro
rata in proportion to their respective Percentage Shares, then the person registered or recorded as owner holds the property on trust for all the Joint Venturers pro rata in proportion to their respective Percentage Shares.

6.3 Use of Joint Venture Property
(a) Each Joint Venturer must ensure that its Percentage Share of all Joint Venture Property that it controls is available for the purpose of Joint Venture Activities for the duration of the Joint Venture.

(b) Each Joint Venturer must make available to the Manager from time to time as reasonably required by the Manager all Mining Information (if any) held by the Joint Venturer or in which it has a beneficial interest relating to the Tenements as at the Commencement Date.

6.4 Joint Venture Intellectual Property
Each Joint Venturer and its Related Bodies Corporate are entitled to use Joint Venture Intellectual Property, on a non-exclusive world-wide royalty-free basis, including any modifications and enhancements, outside the JV Area in activities other than Joint Venture Activities provided that the intended use of such Joint Venture Intellectual Property is first disclosed to each of the other Joint Venturers and is subject to the obligations of confidentiality contained in this agreement.

6.5 No partition of Joint Venture Property
(a) Subject to any Law or contrary provision of this agreement, each Joint Venturer waives any right it may have to partition or divide the Joint Venture Property, whether by way of physical partition, judicial sale or otherwise.

(b) Nothing in this clause affects a Joint Venturer's right and obligation to take separately its Percentage Share of any Mineral or to make an Assignment or disposal as permitted by this agreement.

6.6 No Encumbrances without consent
A Joint Venturer must not create or permit the creation of any Encumbrance over the whole or any part of its Joint Venture Interest without the consent of all the Joint Venturers, which consent must not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Farminnee shall be entitled to create Encumbrances over its Joint Venture Interest for the purposes of financing the Joint Venture Activities.

6.7 Perpetuity period
If the vesting of any interest of any Joint Venturer in any Joint Venture Property would be void under the rule against perpetuities at common law (if applicable) or under any statute imposing perpetuity periods, then that interest terminates 80 years (less 1 day) from the date of this agreement.

7 Management Committee

7.1 Establishment of Management Committee
(a) A Management Committee is established on the Earn-in Date. Each Joint Venturer must appoint a representative to the Management Committee in writing.

(b) The role of the Management Committee is to make, subject to this agreement, all strategic decisions relating to the conduct of Joint Venture Activities, including the consideration and approval of any Proposed Programme and Budget and other management plans, and any
amendments to any Approved Programme and Budget and approved management plans.

(c) Unless the Joint Venturers otherwise unanimously agree, the Joint Venturer with the largest individual Joint Venture Interest must appoint (and may dismiss) its representative to be chair of the Management Committee. The Joint Venturer appointing the chair must cause the chair to preside at all meetings of the Management Committee.

(d) The Manager must appoint (and may dismiss) a person, who may be one of its employees, to be secretary of the Management Committee. The Manager must cause the secretary to prepare agendas for meetings, keep proper minutes of all meetings and coordinate communications among the Joint Venturers regarding meetings of the Management Committee.

(e) For any meeting of the Management Committee, a Joint Venturer may in writing appoint a person as an alternate representative for its representative and may remove any person so appointed.

(f) At meetings of the Management Committee each representative present must act solely as representative of the Joint Venturer that appointed him or her but a representative may also represent the Manager at Management Committee meetings.

(g) Each representative has full power and authority to represent and bind the Joint Venturer which appointed him or her in all matters decided by the Management Committee, and the Joint Venturer is bound by all votes cast by its representative.

(h) Any decision made by the Management Committee under this agreement is deemed to be a decision of all the Joint Venturers, and each Joint Venturer is bound as if that decision was an agreement entered into by them.

7.2 Functions of Management Committee

Except as otherwise provided in this agreement, the Management Committee may decide all matters relating to the conduct of Joint Venture Activities, including:

(a) all strategic decisions relating to the conduct of Joint Venture Activities;

(b) establishing policies from time to time covering Joint Venture Activities;

(c) approval of any Proposed Programme and Budget and other management plans;

(d) approving cost overruns by the Manager incurred under any Approved Programme and Budget; and

(e) the appointment of an Auditor.

7.3 Meetings of the Management Committee

(a) All meetings of the Management Committee must be held at the office of the Manager, unless otherwise agreed by the Joint Venturers.

(b) The Manager shall ensure that a meeting of the Management Committee is convened at least once each Year to approve a Proposed Programme and Budget for the next period.

(c) The Manager shall ensure that the secretary calls meetings and gives at least 15 days prior written notice to the Manager and all Joint Venturers entitled to be present specifying the nature of the business to be discussed and including all documentation required to be considered at
the meeting. Meetings may be held on less than 15 days' notice if agreed in writing by all Joint Venturers entitled to be present.

(d) Meetings may be convened in person, or by video meeting or conference telephne call at which all representatives of all Joint Venturers have the opportunity to be present. All persons participating in the video meeting or conference telephone call must be able to hear each of the others.

(e) If the existing chair of the Management Committee is not present within 15 minutes after the time appointed for holding the meeting, the representatives present must elect one of themselves to be chair of the meeting.

(f) Each Joint Venturer must bear all expenses incurred by its representatives in attending meetings of the Management Committee.

(g) A representative of the Manager must attend every meeting of the Management Committee at the cost of the Joint Venturers, unless the Management Committee otherwise decides for a particular meeting or for a particular subject matter at any meeting.

7.4 Quorum

(a) A quorum for any meeting of the Management Committee is present if the representative of each Non-Defaulting Joint Venturer is in attendance at such meeting.

(b) If a quorum is not present within 30 minutes from the time appointed for the meeting, the meeting must be adjourned to the same place, day and time in the next week.

(c) If a quorum is not present at a reconvened meeting then, provided the reconvened meeting is conducted as a personal meeting (not by video or telephne meeting) and all Joint Venturers were given at least 7 days' notice of the reconvened meeting, the representative(s) present at the reconvened meeting are deemed to constitute a quorum for the purposes of the business before that meeting.

7.5 Voting and decision making

(a) On any resolution or at any meeting of the Management Committee, a Joint Venturer (other than a Defaulting Joint Venturer) may cast, through its representative, the number of votes equal to its Percentage Share.

(b) At meetings of the Management Committee, the Manager or its representative is not entitled to vote, and the chair does not have a second or casting vote.

(c) Unless otherwise specified in this agreement, all decisions of the Management Committee must be determined by Majority Vote. A decision specified in Schedule 1 must be made by Unanimous Vote.

(d) A resolution in writing (which may consist of one or several documents in the same terms) signed by at least one representative of each of the Joint Venturers or approved by facsimile or by authenticated email transmitted by at least one representative of each Joint Venturer and subsequently confirmed in writing is as valid and effectual as if it had been passed at a duly convened meeting of the Management Committee.

7.6 Minutes

A copy of the minutes of each Management Committee meeting must be given to each Joint Venturer as soon as practicable, but no later than 14 days, after each meeting. The minutes of a meeting must be submitted for approval at the next meeting held after that 14 day period and, if approved, must be signed by
the chair of the later meeting and when signed are evidence of the proceedings and the decisions of the meeting to which they relate. The Manager may act on any matter approved by the Management Committee notwithstanding that the minutes have not been approved.

7.7 Sub-committees
The Management Committee may from time to time create sub-committees (comprising such persons as the Management Committee thinks fit) to consider and report back to the Management Committee on any particular issues relating to Joint Venture Activities.

7.8 Loss of rights of participation and voting
Unless otherwise agreed by all Non-Defaulting Joint Venturers, a Defaulting Joint Venturer (through its representative and alternate) is not entitled to attend or to vote at any meeting of the Management Committee or any subcommittee formed under this agreement or join in voting on a resolution, nor will the presence of the representative of any such Joint Venturer be necessary to form a quorum at any meeting, until the relevant Default Event has been remedied.

8 Manager

8.1 Appointment of Manager
The Joint Venturers severally appoint the Manager to be manager of Exploration Activities during the Earning Period and manager of the Joint Venture and agent of the Joint Venturers for the purposes of this agreement from the Commencement Date, and the Manager accepts that appointment, on and subject to the provisions of this agreement.

8.2 Term of appointment of Manager
The appointment of the Manager continues:

(a) until this agreement is terminated for any reason;
(b) until the Manager resigns, having given at least 90 days’ notice to the Joint Venturers of its intention to resign as Manager; or
(c) until the Manager suffers an Insolvency Event or commits a material breach or default in the performance of a material obligation under this agreement and fails to remedy the default within 60 days of receipt of a written notice of default served by a Joint Venturer, in which case the manager may be removed by Majority Vote.

Notwithstanding anything to the contrary in this agreement, the Manager may also be removed by the Assignee of the Joint Venturers in case of transfer of 80% or more of their Joint Venture Interest pursuant to clause 13.

8.3 Remuneration of the Manager
(a) In consideration of the performance by the Manager of its obligations under this agreement, each Joint Venturer must pay the Manager its Percentage Share of the Management Fee payable as part of each Called Sum.

(b) The Management Fee may be varied by the Management Committee by Unanimous Vote.

8.4 Appointment of new Manager
(a) Upon the termination of the appointment of the Manager, the Joint Venturers must promptly appoint a new Manager under the terms of this agreement, if this agreement is not otherwise terminated.
(b) The Joint Venturers must not reappoint a Manager removed for default or following an Insolvency Event of the Manager.

(c) If a new Manager cannot be appointed and act immediately, the Joint Venturer holding the largest Joint Venture Interest must act as interim Manager until the new Manager is appointed and commences its duties.

(d) Upon the new or interim Manager commencing its duties, the previous Manager must immediately deliver to the new or interim Manager all Joint Venture Property and all documents, books, records and accounts relating to the Joint Venture held by it or under its control.

(e) If title to any Joint Venture Property is held in the name of the previous Manager, it must promptly transfer such title to the new or interim Manager at the cost of the Joint Venture.

8.5 Liability of Manager
Except as a Joint Venturer to the extent of its Percentage Share, the Manager is not liable to the Joint Venturers for any loss or damage sustained or liability incurred in connection with the Joint Venture, even if arising from the negligence of the Manager or any person for whom the Manager may be vicariously liable, except where, in the circumstances of the particular case, the Manager (or that person) has committed fraud or Gross Negligence or Wilful Misconduct.

8.6 Full indemnity of Manager by Joint Venturers
Each Joint Venturer severally, to the extent of its Percentage Share, must indemnify and hold harmless the Manager, its directors, employees, agents and contractors (Indemnified Persons) from and against all damage, loss, expense or liability of any nature suffered or incurred by the Indemnified Persons (including any claims made by Third Parties) in connection with Joint Venture Activities, including any personal injury, disease, illness or death, or physical loss of or damage to property, of the Indemnified Persons or any Third Party, except, in respect of an Indemnified Person, where that Indemnified Person has committed fraud or Gross Negligence or Wilful Misconduct.

8.7 Limited indemnity by Manager of Joint Venturers
The Manager must indemnify and hold harmless the Joint Venturers, its and their respective directors, employees, agents and contractors (JV Indemnified Persons) from and against all damage, loss, expense or liability of any nature suffered or incurred by the JV Indemnified Persons (including any claims made by Third Parties) in connection with its management of Joint Venture Activities while it is the Manager, including any personal injury, disease, illness or death, or physical loss of or damage to property, of the JV Indemnified Persons or any Third Party, caused by the fraud or Gross Negligence or Wilful Misconduct of the Manager, its directors, employees, agents and contractors.

9 Functions, powers and duties of Manager

9.1 Functions of the Manager
The Manager reports to the Management Committee and must:

(a) by itself or through its employees, agents or contractors, manage, direct and control Joint Venture Activities as agent for and on behalf of the Joint Venturers;

(b) exercise and discharge its powers and duties under this agreement in accordance with Approved Programmes and Budgets, and decisions made by the Management Committee;

(c) conduct Joint Venture Activities in a good, workmanlike and commercially reasonable manner in accordance with good international mining
exploration industry methods, procedures and practices, and with the standard of diligence and care, normally exercised by duly qualified persons in the performance of comparable work; and

(d) act in utmost good faith in all its dealings, as Manager, with each Joint Venturer.

9.2 Rights, powers and duties of Manager

In the course of managing, supervising and conducting Joint Venture Activities, the Manager is entitled to have possession and control of all Joint Venture Property and must, either itself or through such third parties as it may engage:

(a) (Proposed Programmes and Budgets) prepare and submit to the Management Committee for approval all Proposed Programmes and Budgets and all other estimates and reports required by this agreement;

(b) (Approved Programmes and Budgets) carry out effectively and efficiently the work required to implement all Approved Programmes and Budgets;

(c) (tenders and contracts) obtain, evaluate and accept quotes and tenders (within the limits determined by the Management Committee), and enter into, administer and enforce, as agent of the Joint Venturers, all contracts required for the performance of works and services necessary to perform this agreement and undertake Joint Venture Activities;

(d) (personnel) engage, dismiss, supervise and control all management, technical and labour personnel necessary for performance of its obligations under this agreement including determining the terms and conditions of such engagement and conducting all industrial relations;

(e) (payment and bank accounts) pay on behalf of the Joint Venturers out of funds provided by the Joint Venturers all costs and expenses incurred by the Manager in the conduct of Joint Venture Activities and for such purpose open, maintain and operate one or more separate bank accounts (within which its own funds are not commingled) on behalf of the Joint Venturers for the purposes of the Joint Venture;

(f) (drawdown of Facility) draw down the Facility only in accordance with approved Programmes and Budgets;

(g) (Laws and Authorisations) comply with all Laws and Authorisations applicable to the conduct of Joint Venture Activities, including those relating to health, safety and environmental protection, and ensure that all Authorisations required to conduct Joint Venture Activities are applied for, obtained and maintained;

(h) (Tenements) keep and renew the Tenements in good standing (including paying all rents, taxes, expenditures and other outgoings by the Due Date), and manage, administer, protect and enforce the rights and obligations of the holders under the Tenements;

(i) (Security Bonds) arrange for the provision by the Joint Venturers of, such security deposits, performance bonds and guarantees and other instruments for the performance of the Joint Venturers' obligations under any Tenements, licences, leases, contracts, service agreements or any other agreement authorised by the Management Committee;

(j) (statutory reports) prepare, file and lodge all statutory reports as and when required under the Mining Act and any other applicable Laws in respect of the JV Area (other than reports required to be submitted by the Joint Venturers in their individual capacities as Joint Venturers);
(k) **(greenhouse reporting)** prepare, file and lodge all reports of greenhouse gas emissions, energy production and energy consumption attributable to Joint Venture Activities as may be required under applicable Laws;

(l) **(rehabilitation)** establish a rehabilitation fund, formulate a rehabilitation programme and carry out the Rehabilitation Obligations;

(m) **(insurances)** effect and maintain all insurances appropriate in relation to Joint Venture Property and Joint Venture Activities, or as required by Law, and any additional insurances which the Management Committee requires to be effected, provided that the Manager must wherever possible procure that all such insurances include a provision that the insurer has no right of subrogation against any Joint Venturer or the Manager and that the Joint Venturers and Manager are to be named, to the extent of their interests, on each policy of insurance;

(n) **(insurance certificates)** if requested, provide full details to a Joint Venturer of all insurances effected by the Manager under this agreement, including certificates of currency;

(o) **(no Encumbrances)** keep the Joint Venture Property free and clear of all Encumbrances, except for those Encumbrances specifically permitted under this agreement, or approved by the Management Committee, or existing at the time of, or created concurrent with, the acquisition of such Joint Venture Property, or liens arising in the ordinary course of business which the Manager must arrange to be released or discharged in a diligent manner;

(p) **(disposal of surplus equipment)** dispose of by Assignment, abandonment or other transfer Joint Venture Property which the Manager classifies as surplus and is no longer needed for Joint Venture Activities and which the Management Committee approves for disposal;

(q) **(litigation)** institute, defend, compromise or settle any court or arbitration proceedings or insurance claims commenced or threatened by or against the Manager or a Joint Venturer affecting or relating to Joint Venture Activities or Joint Venture Property, provided that:

(i) unless otherwise instructed by a Joint Venturer, the Manager may conduct such proceedings or claims for and on behalf of and in the name of each Joint Venturer;

(ii) the Manager must regularly report to the Joint Venturers the conduct of such commenced or threatened proceedings and claims, including any proceedings and claims related to environmental impacts, and keep the Joint Venturers informed of the progress of such proceedings and claims; and

(iii) the Manager may not institute, compromise or settle any court or arbitration proceedings or insurance claims exceeding an amount determined by the Management Committee without the prior approval of the Management Committee;

(r) **(emergencies)** take such action as the Manager may consider necessary or advisable to prevent or respond to an Emergency;

(s) **(other incidental)** do all other acts and things that are reasonably necessary or desirable to fulfil its functions or are incidental to its powers and duties.

9.3 **Limitation on Manager’s obligations**

Notwithstanding anything to the contrary elsewhere in this agreement, the performance by the Manager of its obligations under this agreement is subject to
the Manager being provided with sufficient funds by the Joint Venturers to enable the Manager to perform those obligations.

9.4 Manager may delegate

The Manager may delegate to a Third Party, including a Related Body Corporate, any of its rights, remedies, powers, discretions and obligations, provided that:

(a) the Manager may only delegate its rights, remedies, powers, discretions and obligations with the prior approval of the Management Committee;

(b) any delegation does not relieve the Manager of any of its obligations or responsibilities under this agreement;

(c) the Manager informs the Management Committee at its next meeting of the identity of the delegate and the matter which has been delegated; and

(d) the delegation is at no additional cost to the Joint Venturers.

9.5 Agreement with a Related Body Corporate

The Manager may not enter into an agreement with a Joint Venturer or a Related Body Corporate of a Joint Venturer or the Manager for the supply of goods or services or both under this agreement unless the proposed agreement is on terms and conditions which are no less favourable to the Joint Venturers than an arm’s length commercial agreement with a Third Party supplier which is not a Related Body Corporate of the Manager or the Joint Venturer, and the proposed agreement is approved by the Management Committee.

9.6 Litigation

(a) A Joint Venturer has the right to participate separately, at its own expense, in litigation or administrative proceedings initiated by the Manager on behalf of the Joint Venturers.

(b) If a Joint Venturer elects to participate separately in litigation, that Joint Venturer:

(i) is considered to have a divergent interest to the other Joint Venturers and is not entitled to continue to receive reports or legally privileged material prepared or supplied by the Manager in relation to that litigation; and

(ii) is not entitled to require external lawyers appointed by the Manager to cease to act on the basis of a former client conflict of interest.

10 Programmes, Budgets and Called Sums

10.1 Proposed Programmes and Budgets

(a) By no later than the Budget Preparation Date specified in Schedule 1 in each Year or such other date as the Management Committee may agree, the Manager must provide the Joint Venturers with a Proposed Programme and Budget which must include details of the programme of Joint Venture Activities proposed for the next Year and an itemised budget specifying all estimated Expenditure proposed to be charged by the Manager on a monthly basis under this agreement.

(b) Each Proposed Programme and Budget must include expenditure on the Tenements sufficient to comply with minimum expenditure obligations under the Mining Act and the Tenements during that period.

10.2 Approved Programme and Budget
(a) Not less than 14 days after provision of a Proposed Programme and Budget, and by no later than the end of June in each Year or such other month as the Management Committee may determine, the Management Committee must meet (as many times as necessary) and discuss the Proposed Programme and Budget for the next Year, or appropriate period, and adopt, with or without amendment, an Approved Programme and Budget for that Year or period.

(b) Subject to the prior approval by the Management Committee to the awarding of all contracts to a value of more than the Contract Limit specified in Schedule 1, once the Proposed Program and Budget is approved by the Management Committee, the Manager must implement the Approved Programme and Budget, and give a copy to each Joint Venturer.

(c) An Approved Programme and Budget may be amended by the Manager with the approval of the Management Committee.

(d) If the Management Committee for any reason fails to approve a Proposed Programme and Budget, prior to the commencement of the Year to which it relates, the Management Committee must continue to meet and use all reasonable efforts to adopt an Approved Programme and Budget. In the meantime, the Manager must, subject to any contrary direction of the Management Committee and receipt of necessary funds, continue to:

(i) do (or, as appropriate, refrain from doing) whatever is necessary to maintain the Tenements in good standing and other Joint Venture Property in good condition; and

(ii) perform and discharge all its existing obligations as Manager under this agreement, the Mining Act, the Tenements or to Third Parties or otherwise; and

all costs and expenses incurred by the Manager in maintaining the Tenements and performing and discharging all its existing obligations is Joint Venture Expenditure and each Joint Venturer must pay its Percentage Share of those costs and expenses as a Called Sum when due under a billing statement rendered by the Manager.

10.3 Expenditure not covered by Programme and Budget

(a) The Manager must not undertake any Joint Venture Activities which are not substantially in accordance with an Approved Programme and Budget except:

(i) in case of an Emergency, the Manager may make such immediate expenditure as the Manager deems necessary for the protection of life or property including the Joint Venture Property, in which case the Manager must promptly notify the Joint Venturers of such expenditure; or

(ii) if the Manager expects there will be a cost overrun in carrying out an Approved Programme which cannot be avoided by proper diligence, care and operating practice, the Manager may exceed a current Approved Budget by not more than 10%; or

(iii) if otherwise permitted by this agreement or by the Management Committee.

(b) The Manager must report to the Joint Venturers as soon as reasonably practicable any unbudgeted expenditure incurred by the Manager for whatever reason.

10.4 Costs borne in proportion to Percentage Shares
(a) All Expediture incurred in accordance with an Approved Programme and Budget or as permitted by this agreement must be borne and paid for by the Joint Venturers severally in proportion to their respective Percentage Shares on completion of a Bankable Feasibility Study or Expenditure of 25 million Euros, whichever comes first.

(b) On or before the 10th day of each new quarter (or such other date or period as the Management Committee directs), the Manager must submit to each Joint Venturer a billing statement of proposed Expenditure specifying the Called Sum to be paid by that Joint Venturer to finance Joint Venture Activities set out in an Approved Programme and Budget during the next quarter (or such other period as the Management Committee directs) and the amount paid cumulatively to date for the current Year.

(c) The billing statement for Called Sums rendered by the Manager must include all existing and expected charges and credits for Joint Venture Activities

(d) All billing statements rendered by the Manager during any Year are presumed conclusively to be true and correct, except and only to the extent a Joint Venturer makes written objection thereto within 12 months after the date of such statement specifying the items excepted and the grounds for such exception, and makes claim for adjustment.

10.5 Payment of Called Sums

(a) A Joint Venturer must pay each Called Sum to the Manager within 7 days of receipt of a billing statement.

(b) All payments must be in Euros and made to a bank account nominated by the Manager.

11 Accounts, reports, audit and access

11.1 Joint Venture accounting

The Manager must maintain separate books, accounts and records for the Joint Venture of Expenditure in accordance with generally accepted accounting principles adopted from time to time by the Ordre des Experts-Comptables (Institute of Chartered Accountants) in France, consistently applied.

11.2 Reports to Joint Venturers

The Manager must keep the Joint Venturers informed of all Joint Venture Activities by submitting in writing to the Joint Venturers:

(a) within one month of the end of each quarter, quarterly progress reports which include statements of Expenditure and comparisons of such expenditures to the Approved Programme and Budget, including quarterly summaries of data acquired;

(b) within one month of the end of each Year or other relevant period, a detailed final report after completion of each Approved Programme and Budget, which must include comparisons between actual and budgeted Expenditure;

(c) as soon as possible thereafter, a report on the happening of any event or occurrence that:

(i) the Manager considers is likely materially to affect the interests of all or any of the Joint Venturers, or the value or worth of any of the Tenements; or
(ii) would be required to be disclosed to the market by a Joint Venturer (or by a Related Body Corporate of a Joint Venturer) under the Listing Rules provided that, in respect of a foreign stock exchange, the Joint Venturer has previously informed the Manager of the disclosure requirements applying to the stock exchange on which its, or one of its Related Bodies Corporate, securities, are listed;

(d) within one month in each case of its completion, a copy of any material report concerning Joint Venture Activities produced by the Manager; and

(e) such other reports as the Management Committee may direct.

11.3 Annual Accounts and audit

(a) The Manager must prepare accounts for the Joint Venture reflecting the results for each Year of all transactions connected with Joint Venture Activities as disclosed by the records and accounts kept by the Manager and reflecting the Joint Venture Property in the possession or control of the Manager as at the end of such Year in accordance with this agreement (Annual Accounts) which Annual Accounts must be completed, audited by the Auditor and provided to the Joint Venturers (together with the Auditor's report) no later than 3 months after the end of the Year.

(b) Any Joint Venturer that requires any particular audit requirements to be satisfied by the Auditor may make known to the Manager in writing its additional particular requirements before the audit is completed. The Manager must provide the particular audit requirements to the Auditor forthwith and the additional cost of conducting any additional audit must be paid by that Joint Venturer.

(c) The Manager must rectify any issues or qualifications raised by the Auditor concerning the accounts of the Joint Venture or Joint Venture Activities as soon as is reasonably practicable.

11.4 Individual Joint Venturer recording responsibilities

(a) Each Joint Venturer is responsible, in respect of its Joint Venture Interest, for all financial and accounting records required by Law or to support its income tax returns or any other reports required by any Authority.

(b) The Manager must provide to each Joint Venturer such Joint Venture information prepared by the Manager in accordance with this agreement, as the Joint Venturer may reasonably require to prepare its financial and accounting records.

11.5 Joint Venturer access

A Joint Venturer is entitled during working hours, and the Manager must give, on reasonable notice at the Joint Venturer's expense and risk, access to, and the right to inspect any Joint Venture Property, including all books and records maintained by the Manager.

12 Dilution and withdrawal

12.1 Dilution

The Dilution provisions contained in Schedule 4 form part of this agreement.

12.2 Withdrawal

(a) A Defaulting Joint Venturer may not withdraw from this agreement while a Default Event it has committed has not been remedied in full.
(b) A Non-Defaulting Joint Venturer may, by giving 30 days’ notice in writing to the other Joint Venturers, withdraw from this agreement and the Joint Venture, provided that a Joint Venturer may not give a notice of withdrawal unless it has first met and satisfied, or provided for, in full to the satisfaction of the continuing Joint Venturers, all of its obligations accruing to the date of withdrawal under this agreement, the Tenements (for the whole of the current Year), the Act and any other Law, including obligations in respect of any Emergency, environmental protection or Rehabilitation Obligations, or which are required to keep its Joint Venture Interest in good standing and its Percentage Share in Joint Venture Property in good condition.

(c) If the Joint Venture Interest of a Joint Venturer reduces by dilution, Assignment or any other means to less than the Minimum Interest, then that Joint Venturer is deemed to have withdrawn from the Joint Venture.

(d) Upon a withdrawal from the Joint Venture, unless otherwise provided in this agreement, the withdrawing Joint Venturer:

(i) surrenders absolutely to the other Joint Venturer (and if more than one, pro-rata in the proportion that their respective Percentage Shares bear to each other) all its Joint Venture Interest;

(ii) the withdrawing Joint Venturer must, within 30 days of withdrawal, execute and deliver all deeds and documents necessary for, and complete, the Assignment (and registration, if required by relevant laws) of its Joint Venture Interest to the remaining Joint Venturers;

(iii) the withdrawing Joint Venturer must pay any stamp duty and other transfer costs which become payable upon the withdrawing Joint Venturers transferring its Joint Venture Interest to the remaining Joint Venturers; and

(iv) upon approval and registration of the withdrawing Joint Venturer’s Joint Venture Interest to the remaining Joint Venturers, the withdrawing Joint Venturer is released from all future obligations relating to the Joint Venture.

(e) Any withdrawal from the Joint Venture is without prejudice to any rights or obligations of the Joint Venturers arising prior to the withdrawal, and any surrender of a Joint Venture Interest is not to be taken as satisfaction, wholly or partly, of the obligations of a withdrawing Joint Venturer prior to withdrawal.

13 Assignment

13.1 Restriction on Assignment

(a) A Joint Venturer may not Assign the whole or any part of its Joint Venture Interest: otherwise than:

(i) as permitted by this agreement; or

(ii) with the consent of all the other Joint Venturers, which they may give or refuse in their absolute discretion.

(b) Except as otherwise provided in this agreement, a Defaulting Joint Venturer may not Assign the whole or any part of its Joint Venture Interest.

(c) For sake of clarity, nothing herein shall prohibit, prevent or restrict, any change of control of a Joint Venturer or any assignment of shares in the capital of a Joint Venturer.
(d) Any purported dealing by a Joint Venturer with its Joint Venture Interest contrary to this agreement is void.

13.2 Assignment to Related Body Corporate

A Joint Venturer that is not a Defaulting Joint Venturer may at any time without obtaining the prior consent of the other Joint Venturers Assign the whole (but not part) of its Joint Venture Interest to a Related Body Corporate. If a Joint Venturer Assigns the whole of its Joint Venture Interest to a Related Body Corporate, then that Joint Venturer:

(a) must, within 14 days following the date of the Assignment, notify all of the other Joint Venturers of the identity of the Assignee and its relationship to the Joint Venturer;

(b) continues to be bound by this agreement and is not released from any of its obligations or discharged from any of its liabilities under this agreement, unless all the other Joint Venturers agree; and

(c) must, by the time that the Related Body Corporate to which the whole of its Joint Venture Interest has been Assigned ceases to be a Related Body Corporate of the Ultimate Holding Company of the Joint Venturer, ensure that all the rights Assigned to that Related Body Corporate have been re-Assigned to that Joint Venturer or Assigned to another Related Body Corporate of that Joint Venturer.

An Assignment made under this clause is free of any rights of pre-emption set out in this agreement.

13.3 Permitted right of pre-emption

(a) A Joint Venturer has the right of pre-emption on the terms and conditions set out in this clause in respect of a sale of the whole or part of the Joint Venture Interest by another Joint Venturer.

(b) Where a Joint Venturer receives a bona fide offer to purchase or farm-in to, or intends to make an offer to sell or farm-out, for a consideration involving payment of cash to the Joint Venture or a Joint Venturer in whatever form and over any period (including immediate cash, deferred cash, royalty, net smelter return, net profit interest and the like, and including payment of Expenditure on Exploration) the whole or part of its Joint Venture Interest which it is willing to accept and dispose of or farm-out, the Joint Venturer (Selling Joint Venturer) must promptly send written notice to the other Joint Venturers of the offer to purchase, or farm-in, or sell or farm-out making the same offer to the other Joint Venturers (Offer).

(c) The Offer must:

(i) set out all the details of the offer to purchase, farm-in, sell or farm-out that the Selling Joint Venturer has received or intends to make, including the identity of the proposed acquirer (if then known), to enable an assessment of the acquirer’s financial standing including, where applicable, details of the financial standing of the acquirer’s Ultimate Holding Company, and any proposed parent company guarantees; and

(ii) attach a copy of all of the Offer documents.

(d) Each other Joint Venturer (Non-Selling Joint Venturer) has the right for a period of 45 days following receipt of an Offer (Option Period) to accept the Offer in full for the whole of the Joint Venture Interest.
(e) To accept the Offer a Non-Selling Joint Venturer which wishes to accept the Offer must give written notice of acceptance to the Selling Joint Venturer during the Option Period.

(f) Where more than one Non-Selling Joint Venturer accept the Offer from the Selling Joint Venturer the accepting Non-Selling Joint Venturers are deemed to have accepted the Offer pro rata in proportion to their respective Percentage Shares, unless otherwise mutually agreed between them.

13.4 Selling Joint Venturer free to Assign

If none of the Non-Selling Joint Venturers accept the Offer and provided that no Joint Venturer would hold a Joint Venture Interest of less than the Minimum Interest as a consequence of the Assignment then, following the Option Period, the Selling Joint Venturer is free within 6 months from the date of the Offer and, subject to subsequent completion and delivery of the required Assignment documentation specified in this agreement, to Assign its Joint Venture Interest the subject of the Offer to the prospective acquirer at a price and subject to the terms and conditions which are no less favourable to the Selling Joint Venturer than the price, terms and conditions set out in the Offer.

13.5 Requirements of Assignee

An Assignment of part or all of a Joint Venture Interest is not effective unless and until the Assignee:

(a) obtains all relevant Authorisations; and

(b) executes and delivers to each Joint Venturer a form of assumption deed approved by the Joint Venturers (which approval must not be unreasonably withheld or delayed) under which the Assignee agrees to assume the obligations of the Assignor under, and be bound by the terms and conditions of, this agreement to the extent of the Joint Venture Interest Assigned or upon the Joint Venture Interest being earned under the terms of the Assignment.

13.6 Joint Venturer ceasing to be a Joint Venturer

(a) If an Assignment of the whole or part of a Joint Venture Interest is made in accordance with this agreement (other than an Assignment to a Related Body Corporate) the Assignor is released from its obligations under this agreement arising after the Assignment to the extent of the Joint Venture Interest Assigned, other than the obligations of confidentiality contained in this agreement.

(b) If a person ceases to be a Joint Venturer, that person is not relieved of any liability under this agreement which was incurred or arose on or before the date when it ceased to be a Joint Venturer, unless this agreement otherwise provides.

14 Default

14.1 Breach Default Events to be remedied

(a) The Manager or any Non-Defaulting Joint Venturer may at any time after a Breach Default Event occurs serve a written notice on the Defaulting Joint Venturer specifying the nature of the Breach Default Event and requiring it to be remedied. The Defaulting Joint Venturer must then:

(i) if the Breach Default Event is capable of being remedied, remedy the default within 14 days of its receipt of the notice of default; or

(ii) if the Breach Default Event is not remedied within 14 days or is not capable of being remedied, pay adequate monetary compensation
to the Non-Defaulting Joint Venturers, such payment to be made within 7 days of receipt of notification of the amount of compensation payable as determined under this agreement.

(b) The Joint Venturers must agree in writing the amount of adequate monetary compensation to be paid by the Defaulting Joint Venturer under this clause. If the Joint Venturers have not reached agreement within 14 days after the date on which notice of default is given, that amount must be determined by an Expert appointed under this agreement, who must make such determination within 30 days of his or her appointment.

(c) On agreement or determination of the amount of adequate monetary compensation under this clause, that amount, and any interest and costs payable or reimbursable under this agreement, becomes Unpaid Monies due under this agreement after the 7 day period referred to in the next clause.

14.2 Unpaid Monies Default Event to be remedied

(a) If an Unpaid Monies Default Event occurs, the Manager must promptly give to the Defaulting Joint Venturer a notice to pay all Unpaid Monies within 7 days after the Due Date (Non-payment Notice).

(b) If the Defaulting Joint Venturer fails to comply with the Non-payment Notice, the Manager must promptly give notice of such failure to all of the other Joint Venturers together with the amount of Unpaid Monies due but not paid (Unpaid Monies Default Notice).

(c) Each Joint Venturer receiving an Unpaid Monies Default Notice has the right (but not the obligation) after 7 days from receipt of the notice to pay to the Manager all or part of Unpaid Monies referred to in the Unpaid Monies Default Notice on behalf of the Defaulting Joint Venturer. A Joint Venturer which makes a payment of Unpaid Monies on behalf of the Defaulting Joint Venturer becomes a Paying Joint Venturer.

(d) All monies paid by the Manager or a Paying Joint Venturer on behalf of a Defaulting Joint Venturer to remedy an Unpaid Monies Default Event constitute a debt due by the Defaulting Joint Venturer.

(e) The rights of the Manager or a Paying Joint Venturer against a Defaulting Joint Venturer under this clause are in addition to any other rights or remedies available to it or them.

(f) Upon payment of all Unpaid Monies including all interest and costs payable or reimbursable in respect of the Default Event, the Defaulting Joint Venturer is released from liability to pay the Called Sum on which it defaulted, but otherwise remains liable to indemnify each other Joint Venturer and the Manager as provided in this agreement.

14.3 Interest and costs

(a) Interest: at the Agreed Interest Rate is payable on all Unpaid Monies not paid on or before the Due Date, from, but excluding, the Due Date up to and including the date upon which the moneys are paid.

(b) All interest paid on Unpaid Monies by the Manager, a Paying Joint Venturer or a Non-Defaulting Joint Venturer directly attributable to a Default Event become Unpaid Monies due for payment by the Defaulting Joint Venturer to the payer on demand.

(c) A Defaulting Joint Venturer must pay or reimburse all reasonable costs and expenses (including legal costs and expenses on a full indemnity
basis) incurred by the Manager, a Paying Joint Venturer or a Non-Defaulting Joint Venturer consequent upon, or which are directly attributable to remedying, a Default Event. All reasonable costs and expenses so paid become Unpaid Monies due for payment by the Defaulting Joint Venturer to the payer on demand.

14.4 Period of Unpaid Monies Default

An Unpaid Monies Default Event must not be treated as having been remedied for the purposes of this agreement until:

(a) the Defaulting Joint Venturer has paid, or caused to be paid, all Unpaid Monies due to the Manager, the Paying Joint Venturer or the Non-Defaulting Joint Venturers (as the case may be); or

(b) the whole of the Joint Venture Interest of the Defaulting Joint Venturer is acquired pursuant to this agreement by a Non-Defaulting Joint Venturer or a Third Party.

15 Consequences of Default

15.1 Buy-Out Election following an Unpaid Monies Default Event

If an Unpaid Monies Default Event is not remedied within 14 days from the Due Date, a Non-Defaulting Joint Venturer may (but is not obliged to) give notice to each other Joint Venturer (including the Defaulting Joint Venturer) and the Manager stating that it wishes to acquire the whole (but not part) of the Defaulting Joint Venturer’s Joint Venture Interest (Buy-Out Election), and:

(a) If a Non-Defaulting Joint Venturer makes a Buy-Out Election, any other Non-Defaulting Joint Venturer which wishes to make a Buy-Out Election must do so within 14 days of receiving notice of the first Buy-Out Election;

(b) If more than one Non-Defaulting Joint Venturer makes a Buy-Out Election, those Non-Defaulting Joint Venturers must acquire the Defaulting Joint Venturer’s Joint Venture Interest severally in the proportion to their respective Percentage Shares, unless otherwise mutually agreed between them; and

(c) If the Unpaid Monies Default Event is remedied in accordance with this agreement before the Buy-Out Election is made, the right to make the Buy-Out Election in respect of that Unpaid Monies Default lapses.

15.2 Effect of Buy-Out Election

(a) If one or more Non-Defaulting Joint Venturer elect to acquire the whole of the Defaulting Joint Venturer’s Joint Venture Interest (Enforcing Joint Venturer), then the Defaulting Joint Venturer must transfer the whole of the Defaulting Joint Venturer’s Joint Venture Interest to the Enforcing Joint Venturers, and the Enforcing Joint Venturers must severally in the proportion to their respective Percentage Shares:

(i) cure any Default Event of the Defaulting Joint Venturer which is capable of being cured;

(ii) assume all future obligations and liabilities in respect of the whole of the Defaulting Joint Venturer’s Joint Venture Interest;

(iii) pay the amount of consideration to the Defaulting Joint Venturer being the fair market value of the Joint Venture Interest being acquired by the Enforcing Joint Venturers as at the date of the Default Event. less:
A 10% of the fair market value, or such greater or lesser amount as determined by an Expert appointed under this agreement as being sufficient and appropriate compensation for the loss suffered by the Enforcing Joint Venturers for the loss of the Defaulting Joint Venturer's participation in the Joint Venture; and

B all amounts due from the Defaulting Joint Venturer to any party or Third Party under or under this agreement, including interest and costs; and

C all amounts paid by the Enforcing Joint Venturers to cure any Default Event of the Defaulting Joint Venturer, including interest and costs, and

D the amount of all liability of the Defaulting Joint Venturer to meet existing Rehabilitation Obligations as determined by the Manager as at the date of payment, such fair market value and date to be agreed between the parties and, in default of agreement within 14 days, then as determined by an Expert appointed under this agreement, who must make such determination within 30 days of his or her appointment and who may determine that the Defaulting Joint Venturer’s Joint Venture Interest has nil or a negative value.

(b) No payment is due to the Defaulting Joint Venturer if the amount of consideration payable is determined to be nil or negative and:

(i) the Defaulting Joint Venturer must, within 30 days of receipt of the notice of acquisition, execute and deliver all deeds and documents necessary for, and complete, the Assignment (and registration, if required by relevant laws) of its Joint Venture Interest to the Enforcing Joint Venturers;

(ii) the Defaulting Joint Venturer must pay any stamp duty and other transfer costs which become payable upon the Enforcing Joint Venturers acquiring its Joint Venture Interest;

(iii) each Enforcing Joint Venturer must pay any amounts deducted by them from the fair market value for payment to any party or Third Party, to that party or Third Party as soon as reasonably possible;

(iv) each Enforcing Joint Venturer must release the Defaulting Joint Venturer from all claims it has against the Defaulting Joint Venturer in connection with the Default Event; and

(v) upon completion of the Assignment of its Joint Venture Interest to the Enforcing Joint Venturers, including the payment of all transfer costs, the Defaulting Joint Venturer is released from its obligations under this agreement arising after completion of the Assignment, other than the obligations of confidentiality set out in this agreement.

15.3 Acknowledgement

The Joint Venturers acknowledge that the consideration for the acquisition by an Enforcing Joint Venturer of a Defaulting Joint Venturer’s Joint Venture Interest (including the assumption of all future obligations and liabilities):

(a) is agreed following negotiations involving all Joint Venturers which accepted that the consideration does not constitute or give rise to a penalty, forfeiture or unjust enrichment; and

\[\sqrt{\text{31}}\]
(b) represents a reasonable and good faith assessment of the just and fair compensation for the Defaulting Joint Venturer in all the circumstances surrounding the relevant Default Event.

15.4 Attorney

For so long as it is in default, each Defaulting Joint Venturer irrevocably appoints the Enforcing Joint Venturers jointly and severally as its lawful attorney to act for it in its name or otherwise as the Manager (acting reasonably) deems fit for the purposes of:

(a) doing all such acts and executing all such documents as may appear to the Enforcing Joint Venturers (acting reasonably) to be necessary or desirable to comply with the obligations and, to the extent necessary to perform obligations, to exercise the rights of the Defaulting Joint Venturer under this agreement.

(b) with the agreement of all other Non-Defaulting Joint Venturers (if any), terminating the Joint Venture and doing all things reasonably necessary or desirable for completion and winding up of Joint Venture Activities.

The Defaulting Joint Venturer is bound by all acts of the Enforcing Joint Venturers as attorney under this clause.

15.5 Preservation of other rights

Nothing in this agreement affects the right of a party to:

(a) subject to observance of the Dispute resolution provisions of this agreement, commence litigation in respect of a Default Event; or

(b) exercise any other rights or remedies available to the party under this agreement or at law or in equity.

16 Term and termination of Joint Venture

16.1 Term of agreement

This agreement commences on the date of this agreement and continues until the earliest to occur of any of the following Termination Events:

(a) all of the Non-Defaulting Joint Venturers (for themselves and as attorney for each Defaulting Joint Venturer) agree in writing to terminate the Joint Venture;

(b) the Salau PER (as defined in Schedule 1) is not granted to the Farminor within five years of the date of this agreement; or

(c) the Joint Venturers cease to hold any interest in any Tenement,

and continues thereafter until completion of the winding up of Joint Venture Activities.

16.2 Winding up of Joint Venture Activities

(a) Immediately following the occurrence of a Termination Event, the Manager must commence winding up Joint Venture Activities including:

(i) arranging for an evaluation of the Shutdown Costs as at the date of the termination of the Joint Venture, including the cost of satisfying the Rehabilitation Obligations;

(ii) taking such steps to dispose of Joint Venture Property as it is directed to take by the Management Committee;
Salau Tungsten Farm-in and Joint Venture Agreement

(iii) to the extent reasonably possible, meeting the Shutdown Costs from the proceeds of realisation of Joint Venture Property;

(iv) after paying the Shutdown Costs and satisfying all Rehabilitation Obligations distributing any net amount remaining from the proceeds of realisation of Joint Venture Property among the Joint Venturers pro rata in proportion to their respective Percentage Shares; and

(v) requiring payment of a Called Sum from each Joint Venturer to the extent that the proceeds of realisation of Joint Venture Property are insufficient to meet the Shutdown Costs and satisfy all Rehabilitation Obligations.

(b) If a Joint Venturer fails to pay any Called Sum to meet the Shutdown Costs, the Non-Defaulting Joint Venturers are obliged, severally in proportion to their respective Joint Venture Interests, to contribute any amount unpaid by the Defaulting Joint Venturer and the Defaulting Joint Venturer is liable to repay all amounts paid by the Non-Defaulting Joint Venturers, together with interest and costs payable under this agreement. The amount paid by the Non-Defaulting Joint Venturers is a debt payable by the Defaulting Joint Venturer to the Non-Defaulting Joint Venturers on demand.

16.3 Certain obligations continue beyond termination

Upon termination of this agreement for any reason, all rights and obligations of the Joint Venturers to each other in their capacity as Joint Venturers cease, other than:

(a) the obligations of confidentiality set out in this agreement; and

(b) the obligation to pay any actual or contingent liabilities relating to Joint Venture Activities, including the cost of all Rehabilitation Obligations, or otherwise arising from this agreement that have not been discharged as at the date of termination.

16.4 Extension of term

The Joint Venturers may at any time consult with each other for the purpose of determining whether the term of this agreement should be extended beyond the period it would otherwise expire. A failure by any Joint Venturer to agree to such extension may not be referred to any dispute resolution procedure.

17 Confidentiality

17.1 Agreement is confidential

The terms and conditions of this agreement and all information flowing to any Joint Venture from Joint Venture Activities, or in relation to Joint Venture Activities, including Mining Information, other than information which is already within the public domain independently of any breach by a party of this agreement (Confidential Information) are confidential.

17.2 No disclosure except as permitted

Except as permitted by this agreement, each Joint Venturer and the Manager undertakes that it will keep confidential all Confidential Information received by it and that neither it nor its employees will, without the consent of each of the other Joint Venturers, disclose any Confidential Information to any Third Party, provided, however, that the Farminee shall be entitled to disclose the existence and terms of this agreement, as well as relevant Mining Information, to third parties for the purposes and needs of raising funds for the Exploration and Joint Venture Activities.
17.3 Permitted disclosure

A Joint Venturer may disclose Confidential Information:

(a) to the professional advisers or agents of that Joint Venturer;
(b) to a Related Body Corporate of that Joint Venturer;
(c) as required by Law or by any competent Authority, whether the obligation arises as a consequence of the act of the Joint Venturer or otherwise;
(d) to any stock exchange under Listing Rules that require disclosure;
(e) where reasonably necessary for the purposes of any arbitration or administrative or legal proceedings involving only the Joint Venturers; or
(f) to a Third Party, and its advisers, bona fide tendering for or negotiating the purchase of all or part of the interest of that Joint Venturer in the Joint Venture or for the provision of finance to that Joint Venture but only if the Third Party and its advisers first covenant in writing to the disclosing Joint Venturer to preserve confidentiality of information disclosed in the same terms as this clause.

A Joint Venturer making a permitted disclosure under this clause must take all reasonable steps to ensure that the person to whom disclosure is made keeps confidential all Confidential Information disclosed.

17.4 Permitted disclosure by Manager

The Manager may disclose Information to any person it considers necessary or desirable in connection with the conduct of the Joint Venture Activities upon obtaining from such person an undertaking of confidentiality in writing to the Manager and the Joint Venturers to preserve the confidentiality of information disclosed as required by this agreement.

17.5 Confidential Information disclosed only as necessary

(a) Each Joint Venturer and the Manager must take all steps reasonably necessary to ensure that the Confidential Information obtained is disclosed to and known by only those persons who need to acquire that knowledge in the course of their duties.
(b) Each Joint Venturer, but not the Manager, may use for its own internal purposes not related to Joint Venture Activities any geological, geophysical, geochemical, metallurgical or operational concept, model or principle of any kind, even if derived from the Confidential Information.

17.6 Publicity and disclosure

(a) Except for an announcement or other disclosure required by Law or permitted by this agreement, no public announcement naming a Joint Venturer or other public disclosure may be made in relation to Joint Venture Activities or Joint Venture Property unless the text of the announcement or disclosure has been approved by the other Joint Venturers.
(b) To the extent that an announcement or other disclosure is required by Law, the Joint Venturers must use all reasonable endeavours to agree, as soon as reasonably practicable, the wording of such announcement or disclosure before it is made.
17.7 **Obligations exist beyond termination**

The obligations in relation to Confidential Information imposed by this agreement continue until all the Confidential Information ceases to be confidential despite the termination of this agreement for any reason.

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18 **Dispute Resolution**

18.1 **Limitation on proceedings**

Subject to any matter specifically referred to Expert determination under this agreement, the parties agree that it is a condition precedent to the commencement of any litigation proceedings by a party in respect of a dispute under, or in relation to, this agreement (Dispute) that the party has complied fully with the agreed process of resolving a Dispute (Dispute Resolution Process) under this clause (regardless of the level or levels on which the Dispute has previously been considered) except where the Dispute is the non-payment of monies due or:

(a) if the party seeks urgent interlocutory, injunctive or declaratory relief; or

(b) if the other party has failed to observe the requirements of this clause and the party seeks to enforce compliance with the Dispute Resolution Process in respect of the Dispute.

18.2 **Dispute Resolution Process**

The Dispute Resolution Process for this agreement is set out in Schedule 5.

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19 **Expert Determination**

19.1 **Expert determination**

Where a matter is permitted or required by this agreement to be determined by an Expert, or if the parties otherwise agree, any party may refer the matter to the determination of an Expert and the following provisions apply:

(a) Subject to any other determination by the Expert, the costs of obtaining the determination must be at the cost and expense of the parties equally (except that each party must pay its own advisers, consultants and legal fees and expenses) unless the parties otherwise agree;

(b) The Expert determination must be conducted by a person or body agreed to by the parties or, failing agreement within 14 days after a party proposes a person or body, by the person or body nominated by the Institute of Arbitrators & Mediators Australia; and

(c) In making a determination:

(i) the Expert must act in that capacity and not as an arbitrator;

(ii) the Expert's finding is final and binding upon the parties in the absence of manifest error;

(iii) the Expert must determine which party or parties should bear the costs of any such determination and in what proportion. In making this decision, the Expert must consider the degree to which he or she considers such party was unreasonable in failing to agree to the matter; and

(iv) the Expert may employ consultants to assist the Expert to carry out his or her duties.
20 Force Majeure

20.1 Meaning of Force Majeure

In this agreement, the term "Force Majeure" means any cause which is not reasonably within the control of the Joint Venturer or the Manager claiming relief by reason of Force Majeure, which cause may include:

(a) an act of God, earthquake, lightning, fire, flood, storm, cyclone, explosion or epidemic;
(b) strike, lockout, stoppage, ban or other types of labour difficulty whether at the JV Area, railway or port or otherwise;
(c) war (whether declared or undeclared), blockade, act of the public enemy, act of terrorism, revolution, insurrection, riot, or civil commotion, sabotage, malicious damage, radioactive contamination, toxic or dangerous chemical contamination;
(d) action, inaction, embargo or restraint by an Authority (including heritage related restraints and, refusal or failure to grant any Authorisation despite timely reasonable endeavours to obtain the same);
(e) unavailability or mechanical and electrical breakdown and failure of equipment, plant, pipelines, transmission lines or transport; or
(f) any other cause whether specifically listed above or otherwise which is not reasonably within the control of the party claiming Force Majeure,

except where:

(g) the cause is the inability to obtain, use or pay, moneys for any reason; or
(h) the consequences of the cause could have been prevented, overcome or remedied by the exercise by the party affected of care and diligence normally exercised by duly qualified persons in the performance of comparable work.

20.2 Relief

If, as a direct result of an event or occurrence of Force Majeure (Force Majeure Event), a Joint Venturer or the Manager becomes unable, wholly or in part, to perform an obligation (other than an obligation to obtain, use or pay money) under this agreement (Affected Party):

(a) that Affected Party may give the other Joint Venturers and the Manager notice of the Force Majeure Event with reasonably full particulars and, insofar as is known to it, the probable extent to which it will be unable to perform, or be delayed in performing, that obligation;
(b) on giving the notice of the Force Majeure, that obligation is suspended but only to the extent that and for so long as it is affected by the Force Majeure Event;
(c) the Affected Party must use all reasonable diligence to remove, overcome or abate the effect of the Force Majeure Event as quickly as possible;
(d) if the Force Majeure Event cannot be removed, overcome or abated to an extent that allows resumption of performance within 6 months (or such other period as the Joint Venturers agree) from the date of the notice, the Joint Venturers must consider and determine whether this agreement must be modified or terminated; and
(e) notwithstanding the Force Majeure Event, the Joint Venturers must continue to pay the Manager such monies as are necessary keep the
Tenements in good standing and to maintain the other Joint Venture Property in good condition.

20.3 Labour disputes
The obligation to use all reasonable diligence to overcome or remove the effect of the Force Majeure does not require the Affected Party to:

(a) settle any strike, or other labour dispute; or
(b) contest the validity or enforceability of any law, regulation or legally enforceable order by way of legal proceedings,

on terms not acceptable to it solely for the purpose of removing the event of Force Majeure.

20.4 Resumption
The Affected Party must resume performance of its obligations as soon as, and to the extent that, it is no longer affected by the Force Majeure Event.

21 VAT Laws

21.1 Compliance with VAT Laws
The parties will comply with, and do all things reasonably necessary under, all VAT Laws.

22 Notices

22.1 Form of Notice
Unless expressly stated otherwise in this agreement, any notice, certificate, consent, approval, waiver or other communication in connection with this agreement (Notice) must be in writing or given by electronic transmission, signed by the sender (if an individual) or an Authorised Officer of the sender and marked for the attention of the person identified in the Particulars or, if the recipient has notified otherwise, then marked for attention in the last way notified.

22.2 When Notices are taken to have been given and received
(a) A Notice is regarded as given and received:
   (i) if delivered by hand, when left at the address given in the Particulars;
   (ii) if sent by pre-paid post, on the 3rd day following the date of postage;
   (iii) if given by fax, on production of a transmission report by the machine from which the fax was sent which indicates that the fax was sent in its entirety to the recipient’s fax number, unless the recipient informs the sender that the Notice is illegible or incomplete within 4 hours of it being transmitted; and
   (iv) if sent by email, at the time shown in the delivery confirmation report generated by the sender’s email system which indicates that the email was sent to the recipient’s email address.

(b) A Notice delivered or received other than on a day on which trading banks are open for business in the capital city of the Nominated State (Business Day) or after 5.00pm (recipient’s time) is regarded as received at 9.00am on the following Business Day. A Notice delivered or received before 9.00am (recipient’s time) is regarded as received at 9.00am.

23 Ancillary provisions

23.1 Entire agreement
This agreement contains everything the parties have agreed and overrides and supersedes all earlier agreements in relation to the Joint Venture.

23.2 Assignment - Enurement

The Farminor acknowledges and agrees that the Farminee shall be entitled to transfer freely all its rights and obligations under this agreement to any subsidiary (the SPV) established for the purpose of carrying out the transactions contemplated under this agreement. The Farminee shall promptly notify such assignment to the Farminor. Upon completion of such assignment, the SPV shall be substituted for Juniper Capital Partners Limited under all the latter’s rights and obligations under this agreement and any reference herein to Juniper Capital Partners Limited shall be read and construed as a reference to the SPV, which shall become the Farminee and a Joint Venturer under this agreement.

The provisions of this agreement enure for the benefit of and are binding on each party and their respective successors and permitted Assigns.

23.3 No reliance or inducement

Each party warrants and agrees that when entering into this agreement it relied exclusively on the terms expressly contained in this agreement and on:

(a) its own inspections, investigations, skill and judgement; and
(b) opinions and advice obtained by it,

and did not rely on any statements, inducements, undertakings, representations or advice given or made, whether orally or in writing, by or on behalf of any other party, including without limitation by any officer, employee or agent of any party.

23.4 Amendment

No modification, variation or amendment of this agreement is of any force unless it is in writing and has been signed by each of the parties.

23.5 Severability

If any provision of this agreement is void, illegal or unenforceable, it may be severed without affecting the enforceability of other provisions in this agreement.

23.6 Waiver

A waiver of any right, power or remedy under this agreement must be in writing signed by the party granting it. A waiver is only effective in relation to the particular right, power or remedy in respect of which it is given. It is not to be taken as an implied waiver of any other right, power or remedy or as an implied waiver of that right, power or remedy in relation to any other occasion.

23.7 Applicable law

(a) This agreement is governed by and must be construed in accordance with the laws of the Nominated State.

(b) The parties submit irrevocably to the non-exclusive jurisdiction of the Courts of the Nominated State and all Courts competent to hear appeals from those Courts.

23.8 Fees and charges

(a) Each party must bear its own costs for the preparation, execution, delivery and performance of this agreement.

(b) Unless otherwise agreed, all stamp duties and registration fees paid relating to the registration and performance of this agreement, and of all other documents arising out of this agreement, are Joint Venture Expenditure.
23.9 Counterparts

This agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed is deemed an original but all of which together constitute one and the same instrument.
Schedule 1 Basic

**Particulars**

**Approvals Period:**
Clause 2.2
5 years from the date of this agreement, or such longer period as the parties may agree.

**Area of Influence:**
Clause 1.1
the area within a Tenement and within 50 km of the outer boundary of a Tenement

**Budget Preparation Date:**
Clause 10.1(a)
1 June

**Conditions Precedent:**
Clause 2

1. The establishment by the Farminnee of the Facility.
   This Condition Precedent 1 is not capable of waiver.

2. The grant of the Salau PER.
   This Condition Precedent 2 is not capable of waiver.

**Contract Limit:**
Clause 10.2(b)
Euros 100,000.

**Management Fee:**
Clauses 1.1 and 8.3
10% of all Expenditure made by the Manager under this agreement, according to the definition in clause 2(b) of Schedule 3, which is intended to reimburse, without profit, the Manager for its indirect or overhead costs which it, or its Related Bodies Corporate, incur in providing corporate, administration and other services for the Joint Venture.

**Minerals(s):**
Clause 1.1
Tungsten, base metals, precious metals, and other metallic and non-metallic minerals.

**Minimum Interest:**
Clause 1.1
5% Joint Venture Interest.

**Mining Act:**
Clause 1.1
the mining legislation in France or Spain, as applicable.

**Nominated State:**
Clause 1.1
France.

**Passmark:**
Clause 1.1
50% Percentage Share of Joint Venturers entitled to vote.

**Matters requiring a unanimous vote:**
Clauses 1.1 and 7.5(c)

1. Variation of the Management Fee.
2. Suspension or termination of Joint Venture Activities for any reason, including extended Force Majeure.
3. Sale or disposition of any item of Joint Venture Property which exceeds Euros 50,000 and which is material to the operation of the Joint Venture.
4. Surrender of the whole or any part of the JV Area except as may be necessary for minor boundary adjustments, or as may be required under the Mining Act.
5. Any other matter which is specified elsewhere in this agreement as requiring a Unanimous Vote.
Salau PER:
(Clause 1.1)
Means the PER to be granted in respect of an area covering the Salau tungsten mine

Year:
(Clause 1.1)
a period of 12 calendar months commencing on and including the 1st day of July and ending on and including the following 30th day of June.
**Schedule 2**

_List of Tenements as at the Commencement Date_

All Tenements are to be in name of Farminor:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Status</th>
<th>Area (km²)</th>
<th>Grant date</th>
<th>Expiry date</th>
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<tbody>
<tr>
<td></td>
<td>Application - Permис Exclusif de Recherches</td>
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<td>(France)</td>
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<td>(over the area of the Salau tungsten deposit)</td>
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<tr>
<td></td>
<td>Application - Exploration Licence</td>
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<td>(Spain)</td>
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<tr>
<td></td>
<td>(over the southern extension of the Salau geological domain, which</td>
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<tr>
<td></td>
<td>extends from France into Spain)</td>
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</table>

**Annexure to Schedule 2**

_JV Area Map (Map of the Tenements)_

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42  48
Schedule 3
Expenditure

1 Introduction
(a) It is the intent of this Schedule 3 that, except as otherwise provided by this agreement, the Manager does not gain or lose by reason of its duties and responsibilities under this agreement.
(b) Nothing in this Schedule 3 may be interpreted as:
   (i) relating to the tax accounting of any party or of any joint venture or undertaking including such parties or any of them; or
   (ii) an election by a party with respect to a matter under the tax laws or other laws of the jurisdiction to which a party may be subject or an election with respect to any method of accounting for the purpose of reporting to government or an election for any other purpose.

2 Definitions
Terms used in this Schedule 3 have the same meanings as defined in the agreement to which Schedule 3 is annexed and in addition:

Expenditure means expenditure in respect of the Exploration and Feasibility Study phases of the Joint Venture and includes:

(a) salaries, wages and on-costs of the Manager’s employees engaged in Joint Venture Activities including the cost of:
   (i) annual leave (including leave loading), sick leave, public holidays, long service leave and other benefits, assessments and obligations paid by agreement or required to be paid by law;
   (ii) all taxes (including fringe benefits tax and payroll tax), workers’ compensation and common law insurance in connection with such employees; and
   (iii) payments for employee group life insurance, medical/dental services/hospitalisation, superannuation, pension, and other benefits of like nature,

all on a pro-rata basis for the time such employees are engaged in performing Joint Venture Activities;
(b) indirect administration and support services, comprising managerial, administrative, secretarial, legal, accounting and personnel services, to be taken to be an amount equal to 10% of total Expenditure excluding the items specified in this paragraph (b);
(c) payments for provision of the Manager’s senior staff and technical services staff at an appropriate hourly or daily all-inclusive rate;
(d) reasonable travel and living expenses (other than as charged under paragraph (b)) of the Manager’s employees and contract personnel whilst away from their regular place of employment all on a pro-rata basis for the time they are engaged in performing Joint Venture Activities;
(e) charges for provision of items of equipment from any machinery pool maintained by the Manager, which charges include depreciation, licensing, insurance and repairs (but not routine maintenance nor
fuel, each of which is to be separately charged to the Joint Venture) such charges being no more than the usual commercial rental rate for such items in the area in which they are being used;

(f) purchase (or depreciation, as appropriate), lease or hire of buildings, vehicles, plant and equipment used in Joint Venture Activities except for items provided from the Manager’s machinery pool;

(g) routine maintenance of all buildings, machinery, plant and equipment (including the Manager’s machinery pool items) used in Joint Venture Activities and repairs, insurance and licensing of all buildings, machinery, plant and equipment other than the Manager’s machinery pool items, in accordance with usual reasonable accounting practices;

(h) premiums paid on insurance effected under this agreement and all damages paid in settlement of claims and costs not recovered from insurers;

(i) provision of accommodation and food in connection with field operations, camp establishment, field office costs, first aid and safety costs;

(j) costs incurred in complying with environmental protection and rehabilitation requirements imposed by an Authority, by law or under the conditions on which the Tenements are held;

(k) the cost of all consumables and expendable supplies, materials and stores, including fuel, oil, light, power, water, gas, field office supplies and tools;

(l) the cost of all freight and transport for or in connection with Joint Venture Activities, including transport of the Manager’s machinery pool items to and from the JV Area;

(m) payments made to, or in respect of, contract personnel engaged in Joint Venture Activities including drilling, assaying, surveying, and geoscientific tasks;

(n) costs of consultants engaged in Joint Venture Activities including legal and accounting fees and the cost of the Auditor; and

(o) any other cost or expense specified in this agreement as Expenditure, or which the parties agree to treat as Expenditure;

PROVIDED THAT where any of the above facilities or services are used not only for Joint Venture Activities but also for unrelated operations of the Manager the costs must be adjusted on a pro-rata basis on the proportion of time such facilities or services are used for Joint Venture Activities.
Schedule 4

Dilution Provisions – Optional and Default Dilution

Terms used in this Schedule 4 have the same meanings as defined in this agreement.

1.1 Dilution Notice

So long as no notice of a Buy-Out Election has been given, following completion of a Bankable Feasibility Study the Joint Venturer Interest of a Joint Venturer may be reduced and diluted in either of the following circumstances, whereupon the Joint Venturer becomes a Diluting Joint Venturer:

(a) If, within 14 days of the adoption by the Management Committee of an Approved Programme and Budget, but not otherwise, a Joint Venturer gives notice to the other Joint Venturers and the Manager that it does not wish to contribute to Joint Venture Activities under that Approved Programme and Budget (Optional Dilution Notice) for the purposes and duration of that Approved Programme and Budget; or

(b) If a Defaulting Joint Venturer fails to remedy a Breach Default Event or an Unpaid Monies Default Event within the period required by this agreement, upon all the Non-Defaulting Joint Venturers giving notice to the Defaulting Joint Venturer that they require its Joint Venture Interest to be reduced and diluted specifying the relevant Default Event which has not been remedied (Default Dilution Notice)

Provided that:

(c) a Joint Venturer may not give an Optional Dilution Notice in respect of an Approved Programme and Budget for Joint Venture Expenditure:

(i) for an Emergency, environmental protection or Rehabilitation Obligations; or

(ii) which is required to meet obligations lawfully prescribed by an Authority or by Law including maintenance of the Tenements in good standing and to keep other Joint Venture Property in good condition.

2.2 Effect of Dilution Notice

Upon an Optional Dilution Notice or a Default Dilution Notice being given, the Diluting Joint Venturer is not obliged to make any further contribution to that Approved Programme and Budget and its Joint Venture Interest must be reduced in accordance with the following formula (Dilution Formula), with the Joint Venture Interest of each other Joint Venturer which is not a Diluting Joint Venturer (Non-Diluting Joint Venturer) increasing pro-rata in the proportion that their respective Percentage Shares bear to each other:

\[ JVI = \frac{DE}{TE} \times 100 \]

Where:

JVI = the ongoing Joint Venture Interest of the Diluting Joint Venturer after the Dilution Notice;

DE = the total Joint Venture Expenditure actually incurred by the Diluting Joint Venturer up to the date of the Dilution Notice; and

TE = the total Joint Venture Expenditure actually incurred by all Joint Venturers up to the date of the calculation.
2.3 Recalculation of Joint Venture Interests

(a) If a Dilution Notice has been received from or given to a Diluting Joint Venturer, then throughout the period of the applicable Approved Programme and Budget the Manager must recalculate the Joint Venture Interest of each Joint Venturer in accordance with the Dilution Formula and notify the Joint Venturers of their respective Joint Venture Interest:

(i) when the Joint Venture Interest of the Diluting Joint Venturer reduces by each multiple of 5 percentage points below its Joint Venture Interest immediately before the time at which it became a Diluting Joint Venturer;

(ii) when the Joint Venture Interest of a Diluting Joint Venturer reduces to the Minimum Interest or less;

(iii) on request in writing by any Joint Venturer; and

(iv) every 3 months as and from the date that the Non-Diluting Joint Venturers pay the first Called Sums after the Dilution Notice is given.

(b) On request by a Joint Venturer, the Diluting Joint Venturer must within 30 days of receiving the request, at its cost and expense:

(i) transfer to the Non-Diluting Joint Venturers sufficient Joint Venture Interest in the Tenements to give effect to the Dilution Notice and the Dilution Formula; and

(ii) execute and deliver all documents and pay any stamp duty and other transfer costs necessary to complete (and register, if required by relevant laws), the Assignment and transfer of the applicable Joint Venture Interest to the Non-Diluting Joint Venturers.

2.4 Additional Called Sums

(a) Within 7 days of receiving a Dilution Notice, the Manager must request additional Called Sums from the Joint Venturers in proportion to their respective Percentage Shares (other than the Diluting Joint Venturer) to replace the contributions not being made by the Diluting Joint Venturer.

(b) Within 14 days of receiving a request for further Called Sums, a Joint Venturer (other than a Diluting Joint Venturer) may elect:

(i) to proceed with the Approved Programme and Budget and pay the additional Called Sums; or

(ii) not to contribute to the Approved Programme and Budget and give a Dilution Notice.

2.5 Re-assessment of Programme and Budget

If a further Dilution Notice is given by another Joint Venturer, the Manager must, within 14 days of further Dilution Notice being given, call a meeting of the Management Committee to revise the Approved Programme and Budget. A Diluting Joint Venturer is entitled to vote at such meeting or any adjournment.

2.6 Withdrawal of Dilution Notice

Upon an Approved Programme and Budget being revised or confirmed at a meeting of the Management Committee, a Diluting Joint Venturer may within 14 days of that meeting give notice to the Manager and the other Joint Venturers withdrawing any prior Dilution Notice thereby electing to pay all further Called Sums.
Schedule 5
Dispute Resolution Process

2.1 Dispute Resolution Process

(a) Where a Dispute arises between the parties, a party may give notice to the other parties initiating a Dispute Resolution Process in respect of the Dispute (Dispute Notice) which Dispute Notice must:

(i) state that the notice is given under this subclause;

(ii) describe the nature of the Dispute; and

(iii) nominate a representative of the party who is authorised to negotiate and settle the Dispute on the party’s behalf.

(b) (Representative of other parties) Each other party must within 7 days after receipt of a Dispute Notice nominate in writing to the other parties a representative authorised to negotiate and settle the Dispute on its behalf.

(c) (Negotiation by Representatives) The parties’ representatives must negotiate in good faith with a view to resolving the Dispute within 21 days after the receipt of the Dispute Notice, (or such longer period as those representatives agree), failing which the Dispute must be immediately referred to the Chief Executive Officers of the parties.

(d) (Chief Executive Officers) The Chief Executive Officers must negotiate in good faith with a view to resolving the Dispute within 14 days of the Dispute being referred to them (or such longer period as the Chief Executive Officers agree) failing which, the Dispute may be immediately referred by a party by notice to mediation or Expert determination under this agreement.

2.2 Mediation

Mediation of a Dispute must:

(a) be conducted in the Nominated State by the person or body agreed to by the parties or, failing agreement within 35 days after receipt of the Dispute Notice, as nominated by the President for the time being of the Law Society or equivalent of the Nominated State on request by either party;

(b) be conducted in accordance with such rules as may be agreed to by the parties or, failing agreement within 35 days after receipt of the Dispute Notice, in accordance with the rules nominated by the person or body agreed or nominated to conduct the mediation;

(c) be at the cost and expense of the parties equally (except that each party must pay its own advisers, consultants and legal fees and expenses) unless the parties otherwise agree;

(d) if not earlier resolved, be continued for a period expiring on the date being 14 days after the nomination of the mediator (or such other period as the parties may agree) after which either party may at any time after that date seek Expert determination in accordance with this agreement or commence litigation proceedings in respect of the Dispute.
2.3  **Dispute Resolution Process not to interrupt Joint Venture Activities**

The parties must ensure that neither the commencement nor conduct of any Dispute Resolution Process, including mediation, or Expert determination, causes any interruption to Joint Venture Activities or to the performance by the parties of their respective obligations under this agreement, nor will it affect any of the time limits fixed in this agreement unless the performance of Joint Venture Activities or a party under this agreement is materially affected by the submission of the matter in dispute to arbitration, litigation or by the result of the litigation or arbitration.

2.4  **Clause does not apply to matters where consent required**

If this agreement refers to the parties reaching agreement on a matter or the consent of any party being given then, except where this agreement requires that consent or agreement is not to be unreasonably withheld or delayed, the Dispute Resolution Process cannot be used to resolve a dispute between the parties in relation to the reaching of that agreement or the giving of that consent.
Signing page

EXECUTED by Variscan Mines
SAS by authority of its directors in the presence of:

............................................................
Signature of director

TESTARD Jack

Name of director (block letters)

............................................................
Signature of director

GREG JONES

Name of director

EXECUTED by Juniper Capital Partners Limited by authority of its directors in the presence of:

............................................................
Signature of director

SHAHZAD ASHFAQ

Name of director (block letters)

............................................................
Signature of director

ALVIN HUNG

Name of director