

MEMORANDUM OF LEASE

STAMP DUTY \$2011-25014/4

Date Stamped: 9/3/2011

LU 3/1/4

Duty Paid \$60.00

Commissioner of Stamp Duties

Original \$60.00

Duplicate \$ 1.00

\$61.00

Collected vide:

RR No. 265169 of

24/02/2011

Smoke
or Director of Lands

SPECIAL LEASE

Foreshore Lease – Jetty

DESIGNATED LAND

THE DIRECTOR OF LANDS

(hereinafter referred to as the 'Lessor')
of Fiji on behalf of the STATE hereby
leases to **AURUM EXPLORATION
[FIJI] LIMITED**, a limited liability
company having its registered office at
("hereinafter referred to as the Lessee")

18272

Lease No.
(FOR TITLES OFFICE USE ONLY)

FEES

Registration Fee: \$ 2-45

Plan Fee: \$ 50.00

Survey Fee:

Drawing Fee : \$200.00

TOTAL: \$252.45

Revenue Rec. No. 265169

Date: 24/02/2011

Initials: *Sm*

UNDER LAND USE DECREE 36/2010

All that piece of Land being

Name of Land	Province	District or Town	Area
State Foreshore East of Bekana Island	Bua	Bua / Navakasiga	1.702 ha

The boundaries of which are more particularly delineated on the plan hereon to be held by the said **AURUM EXPLORATION [FIJI] LIMITED** for the term and at the rent payable to the Director of Lands and subject to the terms and conditions set out in Annexure A and B

LEASE No. 18272

REGISTERED 09 MAR 2011 at 11:30am



Fees Paid

[Signature]
Registrar of Titles



CERTIFIED TRUE COPY

[Signature]
REGISTRAR OF TITLES

31/7/15

ANNEXURE A
REFERENCE SCHEDULE AND SPECIAL CONDITIONS

This is Annexure A to lease between the Director of Lands (*lessor*) and **Aurum Exploration [Fiji] Limited** (*lessee*).

1. Reference Schedule

In this lease, the following items as defined as follows:

<i>Item 1</i>	Term	Twenty [20] years , commencing upon the Commencement Date.
<i>Item 2</i>	Commencement Date	01st day of February, 2011
<i>Item 3</i>	Rent:	
	(a) Premium:	Nil.
	(b) Base Rent:	[\$1,000.-00] One thousand dollars per annum , payable bi-annually in advance in equal instalments.
<i>Item 4</i>	Rent Review	Upon every fifth anniversary of the Commencement Date, the Base Rent must be reviewed to fair market rent in accordance with Regulation 8 of the Land Use Regulations 2011.
<i>Item 5</i>	Outgoings	
	(a) Statutory:	All rates, taxes, charges, duties, and impositions assessed with respect to the land, the lessee's use of the land, or the lessee by the State or any lawful authority or statutory body.
	(b) Operating Expenses:	Not applicable.
<i>Item 6</i>	Permitted Use	Construction and use of Jetty and associated activities
<i>Item 7</i>	Default Notice Periods	<i>1st Default Notice Period:</i> Fourteen [14] days commencing upon the date the notice under clause 13(c) is given. <i>2nd Default Notice Period:</i> Seven [7] commencing upon the date the notice under clause 13(d) is given.

2. Special Conditions

Notwithstanding any provision of Annexure B, the following special conditions apply:

1. Definitions

In these special conditions:

"Local Land Owning Units" means the Yavusa, Mataqali, and Tokatoka as the case may be who own the land.

"Mining Lease" has the same meaning as that term is defined in the Mine Excavation Site Lease.

"Transaction Documents" means:

- (i) the mine excavation site lease entered into between the lessor and the lessee (*Mine Excavation Site Lease*);
- (ii) the access to bauxite mining and camp site lease entered into between the lessor and the lessee; and
- (iii) the quarry and stockpile lease entered into between the lessor and the lessee,

entered into on or about the date of this lease and any Mining Lease granted to the lessee with respect to any land the subject of the leases described in paragraphs (i)-(iii).

2. Fishing Rights payment

As compensation to local owners for the loss of fishing rights, the lessee must pay the lessor \$275,000.00 on or before the Commencement Date.

3. Construction of Jetty

- (a) The lessee must develop the land for the purpose of constructing and use of jetty and associated activities, in accordance with the requirements of the lessor and other planning authorities on receipt of the detailed development plans.
- (b) The lessee must within the first (12) months of the term of this lease carry out and complete to the satisfaction of the lessor and all relevant authorities all construction work for the jetty as required by the lessor in the following manner:
 - (i) The lessee must obtain the relevant authorities approval for the construction of the jetty before the commencement of the development and must submit the same to the lessor for approval.
 - (ii) The lessee must submit approved engineering plans within the first six (6) months and shall commence site works and must complete construction works within twelve (12) months from the commencement date of this lease.
 - (iii) Upon satisfactory completion of the jetty the lessee must provide a completion certificate to the Director of Lands as evidence.



4. Use of Jetty

- (a) The lessee must not without the prior consent of the lessor carry on or permit to be carried on in or upon the demised premises any offensive trade or business as defined in the Public Health Act and relevant laws of Fiji.
- (b) The lessee must keep the demised land in a clean and hygienic condition at all times in accordance with the Public Health Regulation.
- (c) The lessee must at all times comply with lawful requirements of the Nabouwalu Rural Local Authority insofar as it is bound by such requirements.

5. Other structures and neighbouring properties

- (a) The lessee agrees that the lessor or any authorized person or persons may at any time without let or hindrance enter upon the demised land to construct, place or maintain posts, pipes, cables or wires of any nature whatsoever above or below the ground anywhere within the demised land.
- (b) The lessee must not erect or permit to be erected any structure of any nature whatsoever over those portions of the demised land where posts, pipes, and cables or wires have been placed and shall not do any matter, act or thing that shall or may damage any posts, pipes, cables wires constructed within the demised land.
- (c) The lessee must indemnify and keep indemnified the lessor from and against all legal liability in respect of loss, damage, actions, proceedings suits, claims, demands, costs and expenses which may arise or be occasioned to Crown or to the other neighboring properties or the owners or tenants thereof arising out of the developments carried out by the lessee or on behalf of the lessee under the conditions of this lease.

6. Third party uses

Where practicable, the lessee must use reasonable endeavours to:

- (a) source its unskilled and skilled employees and source contractors and service providers (for example, trucking, business transportation, meals to workers) from members of, and businesses owned by, the Local Land Owning Units and fishing right owners; and
- (b) permit members of the Local Land Owning Units and fishing right owners use of the jetty.

7. Ownership of Jetty vests in lessor upon termination

Upon termination of the lease (including by effluxion of time), the lessor may by notice to the lessee require the lessee to leave the jetty in which case ownership of the jetty will vest in the lessor as at the date of termination.

8. Interdependency

The parties agree that:

- (a) a default under any of the Transaction Documents by the lessee will be deemed to be a default by the lessee under this lease;

- (b) where any Transaction Document is validly terminated by the lessor on account of the default of the lessee under that Transaction Document, the lessor may terminate this lease and will be entitled to contractual damages as if this lease was terminated due to the default of the lessee; and
- (c) the rights of the parties under this lease are cumulative and in addition to their respective rights under the other Transaction Documents.

9. Mining Lease

In the event that the Mining Lease is not executed by the Director of Mines within 45 days after the date of the Mining Excavation Site Lease, then the lessee may terminate this lease by written notice to the lessor given at any time prior to the date the Director of Mines executes the Mining Lease. In the event the lease is terminated under this special condition, the lessor must refund any premium or base rent actually received from the lessee, but otherwise such termination will be without prejudice to the accrued rights of the parties.

10. Costs

The lessee must pay to, or as directed by, the lessor on or before the Commencement Date the following:

- (a) survey fees with respect to the lease (as determined by the lessor, acting reasonably);
- (b) lease preparation costs of \$1066.00;
- (c) any stamp duty assessed with respect to this lease; and
- (d) any VAT assessed with respect to the lease.

**ANNEXURE B
GENERAL CONDITIONS**

This is Annexure B to lease between the Director of Lands (*lessor*) and **Aurum Exploration [Fiji] Limited** (*lessee*).

1. Land

- (a) The lessor grants and the lessee accepts a lease of the land for the term and at the rent and on the terms and conditions of this lease.
- (b) The grant of the lease is subject to the following reservation:
 - (i) the lessor reserves all precious metals, coals and minerals of every description including crude oil upon, in or under the land with full liberty at all times to search, dig for and carry away such metals, coals and minerals of every description including crude oil and for that purpose to enter upon the said land or any part thereof.

2. Rent

- (a) The lessee must pay the rent in cleared funds when due and without demand.
- (b) The lessor may from time to time specify the manner in which the Rent must be paid, including any requirement that rent be paid by electronic funds transfer to an account nominated by the lessor.
- (c) The rent will be adjusted and reviewed as the case may be in the manner specified in the Reference Schedule.

3. Outgoings

- (a) The lessor may from time to time provide the lessee with a statement detailing the outgoings. The statement may include actual or estimated amounts, however where an estimated amount is included the lessor must promptly reconcile such estimated amounts as against the actual amounts incurred and include the adjustment in the following statement of outgoings.
- (b) The lessee must pay the amount specified in the statement within 14 days of receipt in cleared funds.

4. Assignment and Sub-letting

- (a) This lease is a protected lease under the provisions of Section 12 (1) of the Land Use Decree 36/2010.
- (b) The lessee must not alienate or deal with its estate or interest in the lease of any part thereof, whether by sale, transfer or sublease or any other manner whatsoever, nor to mortgage, charge or pledge the same, without the written consent of the Director of Land first had and obtained, nor except at the suit or with the written consent of the Director of Land shall any such lease be dealt with by any court of law or under the process of any court of law, nor, without such consent as aforesaid, shall the Registrar of Titles register any caveat affecting such lease.
- (c) For the purposes of this clause,
 - (i) where the lessee is a company and there is either:



- (A) a change in the beneficial ownership of the lessee;
 - (B) a change in the majority shareholding of the lessee; or
 - (C) a change in the person or persons in ultimate control of the lessee, or
- (ii) where the lessee makes a declaration of trust with respect to the lease,
- then such occurrence will be deemed to constitute a transfer of the lease requiring the prior written consent of the Director of Land.
- (d) Paragraph (c)(i) will not apply where:
- (i) the change occurs solely by virtue of a change in ownership of any shares listed on an official list of a stock exchange; or
 - (ii) where the lessee is a foreign investor within the meaning of the Foreign Investment Act and the requirements of that Act are complied with respect to the change.
- (e) The lessor may disregard and treat as null and void any purported dealing with the lease in contravention of this clause.
- (f) As a condition of granting consent, the lessor may require the lessee to repay any fitout contributions, lease incentives or costs provided or incurred by the lessor under the lease in the immediately preceding ten years. This paragraph will not apply to transfers by way of administration and natural love and affection to the spouse and children of the lessee.
- (g) Any consent under this lease may be given in writing by any officer or officers, either solely or jointly, authorised on behalf of the lessor. Any consent given under the lease will lapse if not acted upon within ninety (90) days after the consent is given.

5. Permitted Use

- (a) The Lessee must:
 - (i) use and must continue to use the land for the Permitted Use; and
 - (ii) not use the land for any purpose other than the Permitted Use.
- (b) Where the Permitted Use includes a use specified in the first column of Schedule 1, then the provisions of the second column of Schedule 1 will apply.
- (c) The Lessee must not subdivide the land without the prior written consent of the lessor obtained and then only in accordance with a plan of subdivision approved by the lessor in writing.
- (d) The Lessee shall not obstruct in any way the free passage of any person over the public thoroughfare intersecting or adjoining the demised land and shall if required by the Lessor of the Divisional Surveyor so to do forthwith remove any crop or other obstruction placed by him on such public thoroughfare in contravention of this condition. Should any question arise as to whether any path intersecting or adjoining the demised land is a public thoroughfare it shall be referred to the Director of Land whose decision shall be final and conclusive.

SHD

6. Repairs and Maintenance

The lessee must at its cost:

- (a) keep the land and any improvements in good repair and condition, including the carrying out of any structural repairs;
- (b) carry out such drainage works as may be required to the satisfaction of the lessor; and
- (c) keep clean and open and maintain in good condition all drains ditches, water-courses and drainage and sewage systems in upon or intersecting the demised land to the satisfaction of the Lessor.

7. Access

The lessor or any authorised person or persons may at any time without let or hindrance:

- (a) enter upon the land to construct, place, or maintain, posts, pipes, cables or wires and drains of any nature whatsoever above or below the ground anywhere within the land; and
- (b) enter upon such drainage reserve for the purpose of carrying out any drainage works or repairs whatsoever; and
- (c) any rights exercised under this clause will not constitute re-entry or forfeiture of the lease.

8. Protection of assets

- (a) The lessee must not erect or permit to be erected any structure of any nature whatsoever over or upon any portion or portions of the land:
 - (i) where posts, pipes and cables or wires have been placed and where drains of any nature whatsoever have been dug; or
 - (ii) shown on the plan hereon as drainage reserve and coloured blue,
and the lessee must not do any act or thing that will or may:
 - (iii) damage any post, pipe, cable, wire or drain or impede the flow of water along any drain constructed within the land; or
 - (iv) damage or impede the flow of water along any drain that has been or may be constructed or excavated along such drainage reserve.
- (b) The lessee must not remove or dispose of by sale or otherwise any forest produce growing upon the land without the written consent of the lessor first had and obtained and subject to such conditions as to the payment of royalty or otherwise prescribed by the Forest Regulations as the lessor may direct;
- (c) The lessee must keep open and maintain in good condition to the satisfaction of the lessor all drains, ditches and water courses upon or intersecting the demised land.

9. Boundary marks to be protected by lessee

The lessee must in all respects at its cost:

- (i) have boundaries of which have been surveyed and marked on the ground;

- (ii) maintain and protect such boundary marks from loss or damage; and
- (iii) maintain such marks and the boundary lines reasonably clear of bushes, weeds, vines, or other undergrowth so as to enable such survey marks and boundary lines to be readily found and followed at any time:

Provided that no boundary mark established by a surveyor shall be moved, replaced or otherwise interfered with by any person not being a registered surveyor other than by re-piling fallen stones or earth around such mark.

10. Insurance

The lessor may affect prudent policies of insurance with respect to:

- (a) public liability (including personal injury and property damage);
- (b) building replacement insurance; and
- (c) industrial special risks,

and may require the lessee to reimburse the lessor a fair proportion of any premiums paid by the lessor or the State. The lessee must not do anything which may vitiate or cancel the lessor's insurance policies.

11. Indemnity

The lessee releases and indemnifies the lessor, the State, the Trustees, native land owners (and any of their respective agents, contractors, officers and employees) from any loss, damage, liability or claims with respect to the use or occupation of the land by the lessee (or anyone under the lessee's control) with respect to the lease.

12. Warranty

Each party warrants to the other that it has legal capacity to enter into this lease and to grant and perform the rights and obligations contained in the lease. The lessee warrants that, to the best of the lessee's knowledge, any information provided with respect to this lease under Regulation 9(1) is true and correct as at the Commencement Date and the lessee indemnifies the lessor from any loss, damage, liability or claims caused by the breach of this warranty.

13. Default

- (a) In the event of any breach by the lessee of any covenant or condition in this lease the Lessor may issue a notice to the lessee specifying the default and requiring that the default be remedied within the 1st Default Notice Period.
- (b) Where the default is not capable of remedy, the lessee will be deemed to have remedied the default upon payment to the lessor in cleared funds reasonable compensation for the default as determined by the lessor (acting reasonably).
- (c) Where the default remains unremedied after the expiry of the 1st Default Notice Period specified in the notice of default, the lessor may give the lessee a further notice stating that if the default remains unremedied within the 2nd Default Notice Period, then the lessor may terminate the lease.



- (d) Where the default remains unremedied after the expiry of the 2nd Default Notice Period, the lessor may automatically terminate the lease by notice to the lessee, such notice must be given at any time within 6 months after the expiry of the 2nd Default Notice Period.
- (e) Upon termination of the lease, the lessor may enter upon and take possession of the land, without limiting any other rights of the lessor.
- (f) Notwithstanding any other provision of this lease,
 - (i) if the lessee becomes (or if one or more of the lessees become) bankrupt or insolvent then the lessor may terminate this lease immediately, and such termination will be without prejudice to any other rights of the lessor; and
 - (ii) where the lessee has defaulted under the lease, the lessor may (but without being obliged to do so) take such steps as are reasonably necessary or convenient to remedy the breach or limit or contain the likely loss or damage arising out of or in connection with the breach and may recover its reasonable costs and expenses thereby incurred from the lessee as a liquidated debt and any actions taken by the lessor will be deemed not to constitute re-entry or forfeiture of the lease.

14. Improvements

- (a) The lessee may remove any building or improvement erected by the lessee on the land at any time within 3 months after the expiration of the lease at its own expense provided that:
 - (i) before the removal of any building the lessee shall have paid all rent owing by him and shall have performed or satisfied all his other obligations to the lessor in respect of the demised land;
 - (ii) in the removal of any building the lessee shall not do any avoidable damage to any other buildings or other part of the demised land;
 - (iii) immediately after the removal of any building the lessee shall make good all damage occasioned to any other building or other part of the demised land;
 - (iv) the lessee shall not remove any building without giving one month's previous notice in writing to the lessor of his intention to remove it;
 - (v) at any time before the expiration of notice of removal, the lessor, by notice in writing given by him to the lessee, may elect to purchase any building comprised in the notice of removal, and any building thus elected to be purchased shall be left by the lessee and shall become the property of the lessor, who shall pay to the lessee the fair value;
 - (vi) if the lessee applies for a renewal of the lease the provisions of paragraph (i) shall be deemed to cease to apply as from the date of the application of the lessee for a renewal of the lease; and
 - (vii) that in the event of any breach by the lessee of any covenant or condition in the lease the lessor may enter upon and take possession of the land without limiting any other rights of the lessor.

15. Compliance with Laws

The lessee must comply at all times with all laws applicable to the land, the lease and the lessee.



16. Governing Law

This lease will be governed by the laws of Fiji.

17. Definitions and Interpretation

In this lease:

- (a) references to a person include an individual, firm or a body, corporate or unincorporate;
- (b) terms which are defined in the Land Use Decree 2010 or the Land Use Regulations 2011 have the same meaning in this lease;
- (c) the word "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary;
- (d) clause headings and subclause headings shall not be used in the interpretation of the lease;
- (e) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender and other parts of speech and grammatical forms of a word or phrase defined in the Lease have a corresponding meaning;
- (f) unless otherwise provided, all references to monetary amounts in the lease are in Fiji dollars;
- (g) if any provision of the lease is deemed to be or becomes void, voidable or unenforceable, it shall be read down or, if incapable of being read down, severed and the remaining provisions of the lease shall continue to have full force and effect;
- (h) a reference to a decree, statute, regulation, proclamation, ordinance or by-law includes all decrees, statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a decree or statute includes all regulations, proclamations, ordinances and by-laws issued under that decree or statute;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of the lease will be construed adversely to a party solely on the ground that the party was responsible for the preparation of the Lease or that provision; and
- (k) a covenant or agreement on the part of 2 or more persons binds them jointly and severally.



FILE : LU 3 / 1 / 4

SHOWING LOT

PLAN REF: LU 59

SHEET REF A243 nlc

KNOWN AS

STATE FORESHORE EAST OF BEKANA ISLAND

DISTRICT

BUA / NAVAKASIGA


PROVINCE BUA

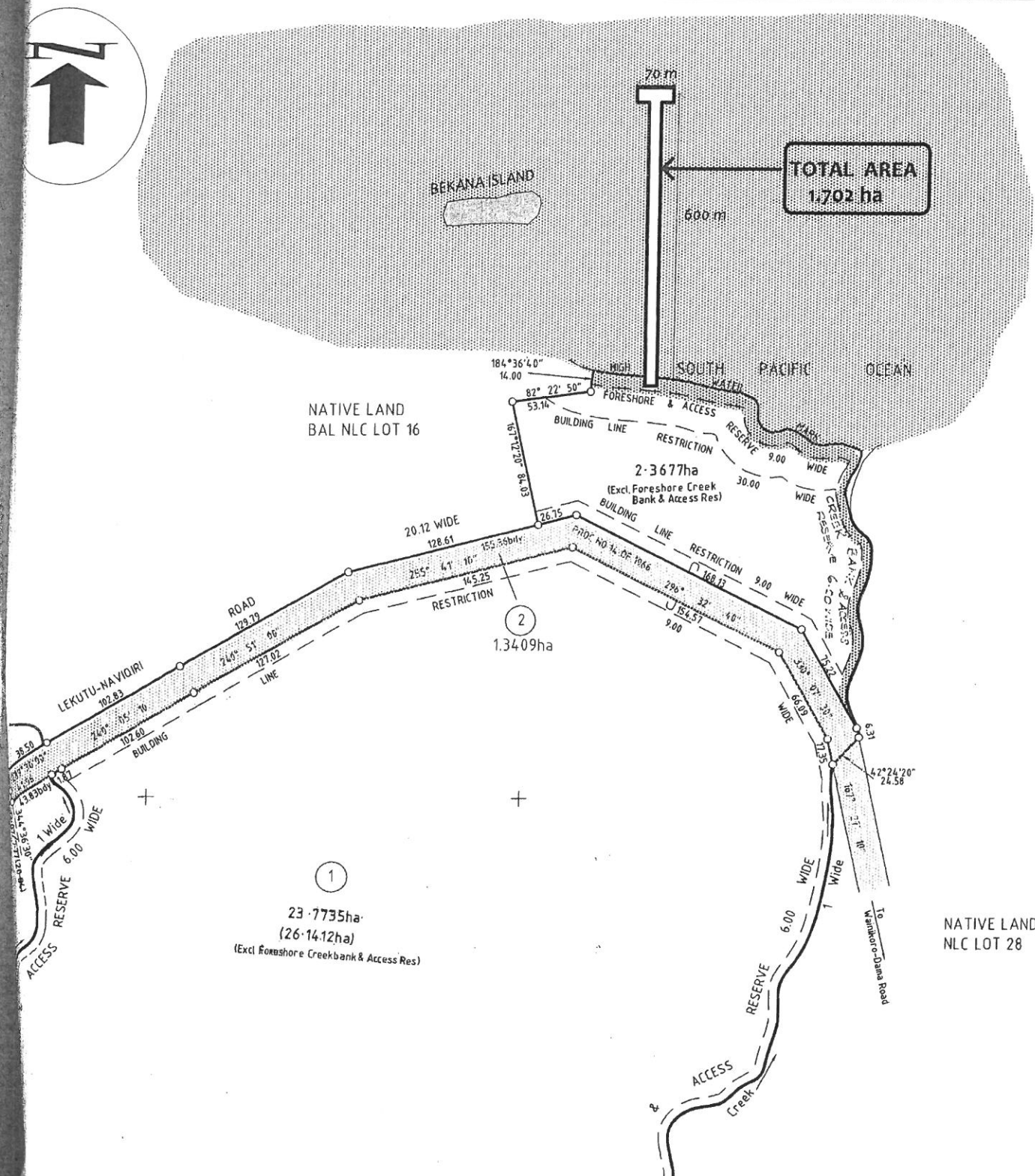
TENURE

STATE FORESHORE LAND

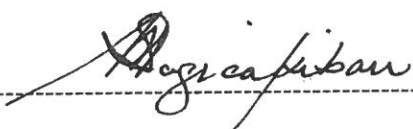
CERTIFIED TRUE COPY

DATE: 04/03/2011


.....
SENIOR TECHNICAL OFFICER (GIS)



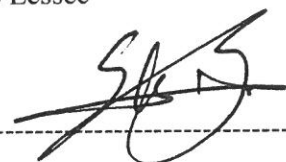
Signed by the Director of Lands for and on behalf of the Lessor:




Witnessed by:


ALEXANDER MILNER

Signed by the Lessee

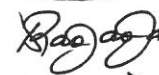


Witnessed by:

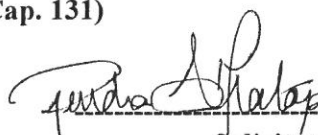


Ahu Sinzhiban

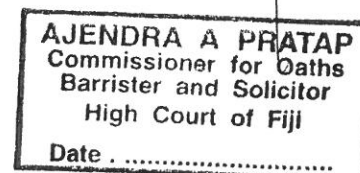



ISIRELI DAGAGA
COMPANY SECRETARY

Correct for the purposes of the Land Transfer Act (Cap. 131)



Solicitor





No..... Registeredat.....m

To

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Registrar of Titles

No..... Registeredat.....m

To.....

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Registrar of Titles

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Registrar of Titles

No..... Registeredat.....m

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Registrar of Titles

MEMORANDUM OF LEASE

22

LU 3/1/7/1

STAMP DUTY

Original \$500.00
Duplicate \$ 5.00
\$505.00

Paid vide RR263701

of 15/05/2014

[Signature]

for Director of Lands

SURFACE LEASE

DESIGNATED ITAUKEI LAND

THE DIRECTOR OF LANDS

[Hereinafter referred to as the lessor]
on behalf of the **TRUSTEES MATAQALI**
Naita of Fiji hereby leases to

AURUM EXPLORATION (FIJI) LIMITED
A Limited liability Company having
it registered office at Copra Shed Marina,
Savusavu, Fiji.

[Hereinafter referred to as the lessee]

LEASE NO.....
FOR TITLES OFFICE USE ONLY

FEES- VAT INCLUSIVE

Date Stamped: 30/05/2014
Duty Paid \$6.00
Registration Fee: \$244.95
Commissioner of Stamp Duties

Documentation Fee \$230.00

Plan Fee \$57.50

Application Fee \$115.00

Total \$404.95

Revenue Receipt 263701

Date: 15/05/2014

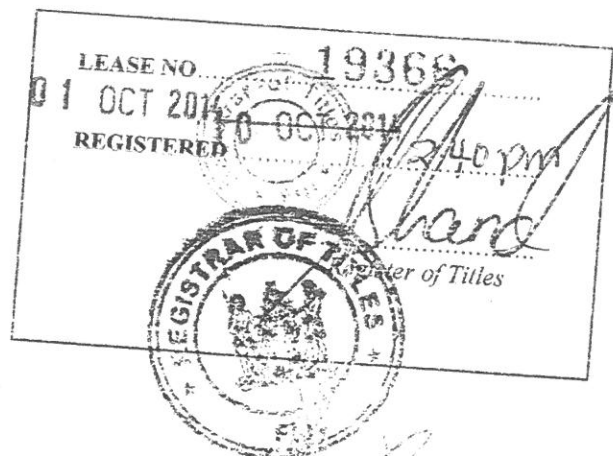
Initials: *[Signature]*

UNDER THE LAND USE DECREE 36/2010

All that piece of Land being

Name of Land	Province	District or Town	Area	Lot No.	Plan No. (d)
Vuninoko	Bua	Lekutu	34.8459hac	1	SO 6787

The boundaries of which are more particularly delineated on the plan hereon to be held by the said **Aurum Exploration (Fiji) Limited** for the Term and at the Rent payable to the Director of Lands and subject to the terms and conditions set out in Annexures A and B.



ANNEXURE A
REFERENCE SCHEDULE AND SPECIAL CONDITIONS

This is Annexure A to lease between the Director of Lands (*lessor*) and Aurum Exploration (Fiji) Limited (*lessee*).

1. Reference Schedule

In this lease, the following items as defined as follows:

<i>Item 1</i>	Term	Twenty [20] years, commencing upon the Commencement Date.
<i>Item 2</i>	Commencement Date	1 st day of July, 2014
<i>Item 3</i>	Rent:	
	(a) Premium:	\$220,000.00 Two hundred and twenty thousand dollars
	(b) Base Rent	[\$7,000.00] Seven thousand dollars per annum, for the first five years
<i>Item 4</i>	Rent Adjustment	Upon each anniversary of the Commencement Date (other than a date the Base Rent is reviewed to fair market rent). The base rent will increase by fair market analysis and recommendation.
<i>Item 5</i>	Rent Review	Upon every [fifth] anniversary of the Commencement Date, the Base Rent must be reviewed to fair market rent in accordance with Regulation 8 of the Land Use Regulations 2011.
<i>Item 6</i>	Outgoing	
	(a) Statutory:	All rates, taxes, charges, duties, and impositions assessed with respect to the land, the lessee's use of the land, or the lessee by the State or any lawful authority or statutory body.
	(b) Operating Expenses:	All insurance premiums payable by the lessor with respect to the land.
<i>Item 7</i>	Permitted Use:	Surface Lease
<i>Item 8</i>	Option to Renew	Nil
<i>Item 9</i>	Security	Nil
<i>Item 10</i>	Default Notice Periods	1 st Default Notice Period: [14] fourteen days commencing upon the date the notice under clause 13(c) is given 2 nd Default Notice Period [7] seven days commencing upon the date the notice under clause 13(d) is given.


P. P.

2.0 Special conditions

Notwithstanding any provision of Annexure B, the following special conditions apply:

2.1 Financial Projections

The provision of the true financial projections of income and expenditures of the full mining operations.

2.2 Mining Plan

The provision of an approved mining plan from the department of Mineral Resources.

2.3 EIA Report

The issuance of the surface lease shall be subject to the provision of an approved EIA report sanctioned by the Department of Environment.

2.4 Topographic Survey Restoration and rehabilitation

The provision of a detail report to address the restoration and rehabilitation of the land and environment. The survey is to be done before and after the excavation to ascertain volume of bauxite and soil extraction. Government may assist with the survey but it will be at the lessee's request and survey costs borne by the lessee.

2.5 Merchantable tree, tree crops

The payment of compensation for damaged crops and trees shall be based on Forestry Department and Agriculture Department schedule of Values.

2.6 Rock & Soil Royalty

The Lessee shall pay the current and Soil Royalty without demand under the relevant laws of Fiji to the lessor if soil and rock are removed the leased land.

2.7. Review of Lease Condition

This will have to be conducted after 5 years to take into account any dramatic changes in the laws of the land or the mining industry in general. The Government will notify the lessee on the proposed changes which will be subject to negotiation by the parties.

2.8 Occupational Health & Safety

The lessee must ensure that the company and its employee's agents and contractors are covered and comply with the current approved occupational health and safety management plan.

2.9 Land Owners Issues:

- **Employment:**
The Land owners be given the first preference on unskilled and skilled employment provided they meet the criteria.
- **Landowner's participation in ancillary business services:**
The landowners shall be given the first preference in service operations such as trucking business, transportation services and provision of meals to workers provided they meet the quality and standard of product required by the lessee.

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■ **Future Generation:**

We understand that the Lessee is fair and reasonable in willing to assist the Land Owning Unit. In the spirit of fairness the lessee shall provide a fair share of the return as additional community contributions in terms of cash grants for education, housing, health, roads, agriculture, water and waste disposal for the present and the future generation, this will be to the tune of \$150,000.00. The sum of \$8,333.00 shall be payable annually by the lessee for the remaining term of the Mining lease two (2) years after its effective date.

Should in any case the lessee's Mining lease is terminated before the expiry date, the lessee on the date of notification of termination of lease settle the amount owed as future generation payment immediately without any demand.

- **Culture and Tradition:** The Company shall ensure that local culture and tradition shall be observed and respected by its staff.
- **Boundary pegs:** The Company shall ensure that all mataqali boundaries marks (mounds/pegs) if removed or destroyed, in the course of the mining operation are to be reinstated in accordance with the law and Surveyors regulation.
- **Burial grounds:** The Land Owning Unit and the relevant Government authorities must be consulted should any Burial and cultural sacred sites are encountered during the course of any work. Relocation of sites must be done at the Company's cost.

AP P.P. [Signature]

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**ANNEXURE B
GENERAL CONDITIONS**

This is Annexure B to lease between the Director of Lands (*lessor*) and Aurum Exploration (Fiji) Limited (*lessee*).

1. Land

- (a) The lessor grants and the lessee accept a lease of the land for the term and rent and on the terms and conditions of this lease.
- (b) The grant of the lease is subject to the following reservation:
 - (i) the lessor reserves all precious metals, coals and minerals of every description including crude oil upon, in or under the land with full liberty at all times to search, dig for and carry away such metals, coals and minerals of every description including crude oil and for that purpose to enter upon the said land or any part thereof.

2. Rent


- (a) The lessee must pay the rent in cleared funds when due and without demand.
- (b) The lessor may from time to time specify the manner in which the Rent must be paid, including any requirement that rent be paid by electronic funds transfer to an account nominated by the lessor.
- (c) The rent will be adjusted and reviewed as the case may be in the manner specified in the Reference Schedule.

3. Outgoings

- (a) The lessor may from time to time provide the lessee with a statement detailing the outgoings. The statement may include actual or estimated amounts, however where an estimated amount is included the lessor must promptly reconcile such estimated amounts as against the actual amounts incurred and include the adjustment in the following statement of outgoings.
- (b) The lessee must pay the amount specified in the statement within 14 days of receipt in cleared funds.

4. Assignment and Sub-letting

- (a) This lease is a protected lease under the provisions of Section 12 (1) of the Land Use Decree 36/2010.
- (b) The lessee must not alienate or deal with its estate or interest in the lease of any part thereof, whether by sale, transfer or sublease or any other manner whatsoever, nor to mortgage, charge or pledge the same, without the written consent of the Director of Lands first had and obtained, nor except at the suit or with the written consent of the Director of Land shall any such lease be dealt with by any court of law or under the process of any court of law, nor, without such consent as aforesaid, shall the Registrar of Titles register any caveat affecting such lease.


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(c) For the purposes of this clause,

(i) where the lessee is a company and there is either:

(A) a change in the beneficial ownership of the lessee;

(B) a change in the majority shareholding of the lessee; or

(C) a change in the person or persons in ultimate control of the lessee, or

(ii) where the lessee makes a declaration of trust with respect to the lease,

then such occurrence will be deemed to constitute a transfer of the lease requiring the prior written consent of the Director of Land.

(d) Paragraph (c) (i) will not apply where:

(i) the change occurs solely by virtue of a change in ownership of any shares listed on an official list of a stock exchange; or

(ii) where the lessee is a foreign investor within the meaning of the Foreign Investment Act and the requirements of that Act are complied with respect to the change.

(e) The lessor may disregard and treat as null and void any purported dealing with the lease in contravention of this clause.

(f) As a condition of granting consent, the lessor may require the lessee to repay any fit out contributions, lease incentives or costs provided or incurred by the lessor under the lease in the immediately preceding ten years. This paragraph will not apply to transfers by way of administration and natural love and affection to the spouse and children of the lessee.

(g) Any consent under this lease may be given in writing by any officer or officers, either solely or jointly, authorized on behalf of the lessor. Any consent given under the lease will lapse if not acted upon within ninety (90) days after the consent is given.

5. Permitted Use

(a) The Lessee must:

(i) use and must continue to use the land for the Permitted Use; and

(ii) not use the land for any purpose other than the Permitted Use.

(b) Where the Permitted Use includes a use specified in the first column of Schedule 1, then the provisions of the second column of Schedule 1 will apply.

(c) The Lessee must not subdivide the land without the prior written consent of the lessor obtained and then only in accordance with a plan of subdivision approved by the lessor in writing.

(d) The Lessee shall not obstruct in any way the free passage of any person over the public thoroughfare intersecting or adjoining the demised land and shall if required by the Lessor of the Divisional Surveyor so to do forthwith remove any crop or other obstruction placed by him on such public thoroughfare in contravention of this condition. Should any question arise as to whether any path intersecting or adjoining


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the demised land is a public thoroughfare it shall be referred to the Director of Lands whose decision shall be final and conclusive.

6. Repairs and Maintenance

The lessee must at its cost:

- (a) keep the land and any improvements in good repair and condition, including the carrying out of any structural repairs;
- (b) carry out such drainage works as may be required to the satisfaction of the lessor; and
- (c) keep clean and open and maintain in good condition all drains ditches, water-courses and drainage and sewage systems in upon or intersecting the demised land to the satisfaction of the Lessor.

7. Access

The lessor or any authorised person or persons may at any time without let or hindrance:

- (a) enter upon the land to construct, place, or maintain, posts, pipes, cables or wires and drains of any nature whatsoever above or below the ground anywhere within the land; and
- (b) enter upon such drainage reserve for the purpose of carrying out any drainage works or repairs whatsoever; and
- (c) any rights exercised under this clause will not constitute re-entry or forfeiture of the lease.

8. Protection of assets

- (a) The lessee must not erect or permit to be erected any structure of any nature whatsoever over or upon any portion or portions of the land:
 - (i) where posts, pipes and cables or wires have been placed and where drains of any nature whatsoever have been dug; or
 - (ii) shown on the plan hereon as drainage reserve and coloured blue,
and the Lessee must not do any act or thing that will or may;
 - (iii) damage any post, pipe, cable, wire or drain or impede the flow of water along any drain constructed within the land; or
 - (iv) damage or impede the flow of water along any drain that has been or may be constructed or excavated along such drainage reserve.
- (b) The lessee must not remove or dispose of by sale or otherwise any forest produce growing upon the land without the written consent of the lessor first had and obtained and subject to such conditions as to the payment of royalty or otherwise prescribed by the Forest Regulations as the lessor may direct;
- (c) The lessee must keep open maintain in good condition to the satisfaction of the lessor all drains, ditches and water courses upon or intersecting the demised land.


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Boundary marks to be protected by lessee

The lessee must in all respects at its cost:

- (i) have boundaries of which have been surveyed and marked on the ground;
- (ii) maintain and protect such boundary marks from loss or damage; and
- (iii) maintain such marks and the boundary lines reasonably clear of bushes, weeds, vines, or other undergrowth so as to enable such survey marks and boundary lines to be readily found and followed at any time:

Provided that no boundary mark established by a surveyor shall be moved, replaced or otherwise interfered with by any person not being a registered surveyor other than by re-piling fallen stones or earth around such mark.

10. Insurance

The lessor may affect prudent policies of insurance with respect to:

- (a) public liability (including personal injury and property damage);
- (b) building replacement insurance; and
- (c) industrial special risks,

and may require the lessee to reimburse the lessor a fair proportion of any premiums paid by the lessor or the State. The lessee must not do anything which may vitiate or cancel the lessor's insurance policies.

11. Indemnity

The lessee releases and indemnifies the lessor, the State, the Trustees, native land owners (and any of their respective agents, contractors, officers and employees) from any loss, damage, liability or claims with respect to the use or occupation of the land by the lessee (or anyone under the lessee's control) with respect to the lease.

12. Warranty

Each party warrants to the other that it has legal capacity to enter into this lease and to grant and perform the rights and obligations contained in the lease. The lessee warrants that, to the best of the lessee's knowledge, any information provided with respect to this lease under Regulation 9(1) is true and correct as at the Commencement Date and the lessee indemnifies the lessor from any loss, damage, liability or claims caused by the breach of this warranty.

13. Default

- (a) In the event of any breach by the lessee of any covenant or condition in this lease the Lessor may issue a notice to the lessee specifying the default and requiring that the default be remedied within the 1st Default Notice Period.
- (b) Where the default is not capable of remedy, the lessee will be deemed to have remedied the default upon payment to the lessor in cleared funds reasonable compensation for the default as determined by the lessor (acting reasonably).



Handwritten signatures and initials, including a large signature and the initials 'f. p'.

- (c) Where the default remains unremedied after the expiry of the 1st Default Notice Period specified in the notice of default, the lessor may give the lessee a further notice stating that if the default remains unremedied within the 2nd Default Notice Period, then the lessor may terminate the lease.
- (d) Where the default remains unremedied after the expiry of the 2nd Default Notice Period, the lessor may automatically terminate the lease by notice to the lessee, such notice must be given at any time within 6 months after the expiry of the 2nd Default Notice Period.
- (e) Upon termination of the lease, the lessor may enter upon and take possession of the land, without limiting any other rights of the lessor.
- (f) Notwithstanding any other provision of this lease,
 - (i) if the lessee becomes (or if one or more of the lessees become) bankrupt or insolvent then the lessor may terminate this lease immediately, and such termination will be without prejudice to any other rights of the lessor; and
 - (ii) where the lessee has defaulted under the lease, the lessor may (but without being obliged to do so) take such steps as are reasonably necessary or convenient to remedy the breach or limit or contain the likely loss or damage arising out of or in connection with the breach and may recover its reasonable costs and expenses thereby incurred from the lessee as a liquidated debt and any actions taken by the lessor will be deemed not to constitute re-entry or forfeiture of the lease.

14. Improvements

- (a) The lessee may remove any building or improvement erected by the lessee on the land at any time within 3 months after the expiration of the lease at its own expense provided that:
 - (i) before the removal of any building the lessee shall have paid all rent owing by him and shall have performed or satisfied all his other obligations to the lessor in respect of the demised land;
 - (ii) in the removal of any building the lessee shall not do any avoidable damage to any other buildings or other part of the demised land;
 - (iii) immediately after the removal of any building the lessee shall make good all damage occasioned to any other building or other part of the demised land;
 - (iv) the lessee shall not remove any building without giving one month's previous notice in writing to the lessor of his intention to remove it;
 - (v) at any time before the expiration of notice of removal, the lessor, by notice in writing given by him to the lessee, may elect to purchase any building comprised in the notice of removal, and any building thus elected to be purchased shall be left by the lessee and shall become the property of the lessor, who shall pay to the lessee the fair value;
 - (vi) if the lessee applies for a renewal of the lease the provisions of paragraph (i) shall be deemed to cease to apply as from the date of the application of the lessee for a renewal of the lease; and

- (vii) that in the event of any breach by the lessee of any covenant or condition in the lease the lessor may enter upon and take possession of the land and improvements without limiting any other rights of the lessor.

15. Compliance with Laws

The lessee must comply at all times with all laws applicable to the land, the lease and the lessee.

16. Governing Law

This lease will be governed by the laws of Fiji.

17. Definitions and Interpretation

In this lease:

- (a) references to a person include an individual, firm or a body, corporate or unincorporated;
- (b) terms which are defined in the Land Use Decree 2010 or the Land Use Regulations 2011 have the same meaning in this lease;
- (c) the word "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary;
- (d) clause headings and subclause headings shall not be used in the interpretation of the lease;
- (e) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender and other parts of speech and grammatical forms of a word or phrase defined in the Lease have a corresponding meaning;
- (f) unless otherwise provided, all references to monetary amounts in the lease are in Fiji dollars;
- (g) if any provision of the lease is deemed to be or becomes void, voidable or unenforceable, it shall be read down or, if incapable of being read down, severed and the remaining provisions of the lease shall continue to have full force and effect;
- (h) a reference to a decree, statute, regulation, proclamation, ordinance or by-law includes all decrees, statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a decree or statute includes all regulations, proclamations, ordinances and by-laws issued under that decree or statute;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of the lease will be construed adversely to a party solely on the ground that the party was responsible for the preparation of the Lease or that provision; and
- (k) a covenant or agreement on the part of 2 or more persons binds them jointly and severally.


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SPECIFIC LAND USE CONDITIONS

*All uses other than
commercial, residential,
industrial, tramway uses*

In addition to any other conditions which the Director, in the circumstances of any case may see fit to impose, the lessee may only erect such buildings on the land as are necessary for:

- (a) dwelling or dwellings for the lessee:
- (b) dwellings for persons bona fide employed on the land; such as stockmen, farm, plantation or quarry labourers and supervisors; or
- (c) accommodation for implements, vehicles, horses, and other stock used in connection with the farm, plantation or quarry or any building connected with the work of a farm, plantation or quarry, as the case may be.

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Phone 324 3000

Ref. CSC/TIN#50-13839-0-5 /OPS

Date: 26-AUG-2010

The Authorised Officer
AURUM EXPLORATION (FIJI) LIMITED
C/- KPMG,
P O BOX 32
SUVA

E

6 SEP 2010

INLAND REVENUE SERVICE

Dear Sir/Madam

NEW TAXPAYER REGISTRATION

Your application dated 30-MAY-2002 to register as a taxpayer has been processed and your Tax Identification Number (TIN) is : 50-13839-0-5

Please remember to quote this number in all future dealings with the Inland Revenue Services or at any FIRCA Office.

Any further queries regarding the above should be directed to the Customer Service Center at Nasese Complex, Building 1, Ground Floor or telephone on 3243000.

Yours Faithfully

Chief Executive Officer
Fiji Islands Revenue & Customs Authority

CERTIFIED TRUE COPY

FIJI

REGISTRAR OF COMPANIES

DATE 19/9/07



CO.NO. 13667

CERTIFICATE

IN THE MATTER OF THE COMPANIES ACT, 1983


I, WENDELL ANTHONY ARCHIBALD,
Registrar of Companies of Fiji, DO
HEREBY CERTIFY that :

AURUM EXPLORATION (FIJI) LIMITED

formerly called KHARTOUM LIMITED
was changed by Special Resolution and
with the approval of the Registrar of
Companies on the 1st December, 2000
was incorporated under the Companies
Act as a Limited Company on the 6th day
of July, 1999.

GIVEN under my hand and seal this 4th
day of December, 2000.




REGISTRAR OF COMPANIES

Copy

13667

COMPANY:

COMPANY: AURUM EXPLORATION (FIJI) LIMITED
 AUD BY: KPMG, CHARTERED ACCOUNTANTS

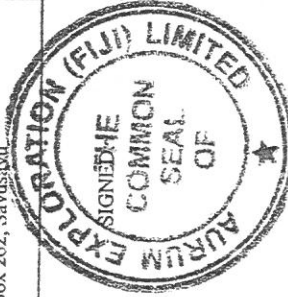
FORM NO. 203

PARTICULARS OF DIRECTORS AND SECRETARIES AND OF ANY CHANGES THEREIN

PARTICULARS OF PERSONS WHO ARE DIRECTORS OF THE COMPANY AT THE DATE OF THIS RETURN AND OF PERSONS NOW CEASING TO BE DIRECTORS

1 NAME	2 ANY FORMER FORENAME OF NAME & SURNAME	3 NATIONALITY	4 POSTAL ADDRESS	5 BUSINESS OCCUPATION AND PARTICULARS OF OTHER DIRECTORSHIPS	6 DATE OF BIRTH	7 CHANGES
Richard Nesbitt		Canadian	PO Box 262, Savusavu	Businessman		No change
Geoffrey Peter Taylor		Fiji Citizen	PO Box 262, Savusavu	Manager		Resigned 25 July 2008
Ian Levy		Australian	11 Plateau Road, Avalon NSW 2107, Australia	Vice President, Developments		No change
Xuecin Zhang		Chinese	Xinfu Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Company President		Appointed 25 July 2008
Yijun Liu		Chinese	Xinfu Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Company Vice-President		Appointed 25 July 2008
Gang Zhang		Chinese	Xinfu Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Company Finance Director		Appointed 25 July 2008
Shanbao Chen		Chinese	Xinfu Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Executive Director		Appointed 25 July 2008
Isabel Dagaga		Fijian	PO Box 262, Savusavu	Managing Director		Appointed 25 July 2008

30/07/2008



(STATE WHETHER DIRECTOR OR SECRETARY)

30/07/2008
 [Signature]

30/07/2008
 [Signature]

25

NO. OF COMPANY:

PARTICULARS OF DIRECTORS AND SECRETARIES AND OF ANY CHANGES THEREIN

FORM NO. 203
PAGE 2

NAME OF COMPANY : AURUM EXPLORATION (FIJI) LIMITED
PRESENTED BY: KPMG, CHARTERED ACCOUNTANTS

PARTICULARS OF EACH PERSON WHO IS A SECRETARY OF THE COMPANY AT THE DATE OF THIS RETURN

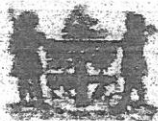
1 NAME	2 ANY FORMER FORENAME OF NAMES AND SURNAME	3 POSTAL ADDRESS	4 CHANGES
Geoffrey Peter Taylor	Nil	PO Box 262, Savusavu	Resigned 25 July 2008
Isireli Dagaga	Nil	PO Box 262, Savusavu	Appointed 25 July 2008

DATE: 30/07/2008



[Signature]

(STATE WHETHER DIRECTOR OR SECRETARY)



DEPARTMENT OF ENVIRONMENT
GOVERNMENT BUILDINGS, SUVA, FIJI
P.O BOX 2109

31st July 2014

IN REPLY PLEASE QUOTE

EP 5/1/1-A

PH: 3311699

The General Manager,
Aurum Exploration (Fiji) Ltd.
Savusavu,
Fiji.

Dear Sir,

Your Ref: REVIEW OF THE PROPOSED EXTENSION OF THE BAUXITE MINING
TOWARDS NAWAILEVU NORTH, BUA BY AURUM EXPLORATION (FIJI) LTD.

Based on the application assessment and discussions with relevant government agencies, it is hereby approved that all conditions of approval imposed to the Environment Impact Assessment [EIA] issued on the 28th June 2010, Construction Environment Management Plan [CEMP] and Operational Environment Management Plan [OEMP] issued to Aurum Mining on the mining site under Mataqali Nalcobo shall be applied to the proposed mining extension site under Mataqali Naita at Nawailevu North.

Attached are the conditions of approval for ease of reference. A special condition involves the inclusion of a Mataqali Naita representative in the monitoring committee.

We look forward to your cooperation however, should you require further clarifications do not hesitate to contact Senimili Nakora on 8818015, Lote Rusaqoli and Aminiasi Qareqare on 3311699.

Yours faithfully

Eleni Tokadusdua (Ms.)

ADIRECTOR OF ENVIRONMENT

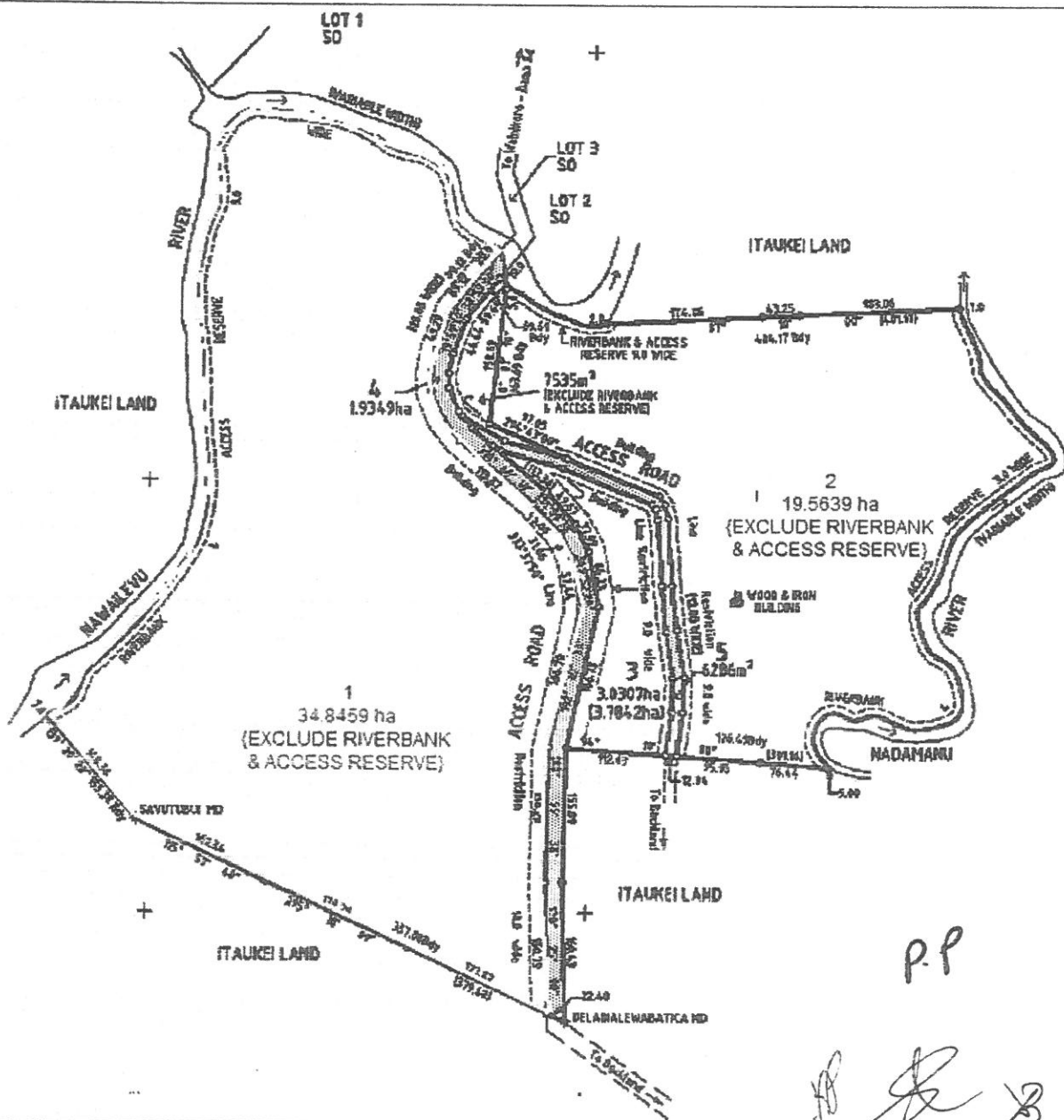
Cc: Commissioner Northern Division
Director Mineral Resources
Manager FTLB Northern
Bua Provincial Office
Bua Rural Local Authority
DOE File Central

APPROVED SUBJECT TO THE FOLLOWING CONDITIONS:

TP 1124/176

1. That the subdivision on **LOTS 1 & 2 B243 (PART OF), LEKUTU, BUA** is approved for the following purposes and to be noted clearly on the Survey Plans:
 - Lot 1 & 3 – Agriculture
 - Lot 2 – Noxious Industry (Mine Site)
 - Lot 4 – Access Road (20.00m wide)
 - Lot 5 – Access Road (12.00m wide)
 - Lot 6 – River Bank Reserve (9.0m wide)
2. That land hooked to proposed Lot 2, lying east of proposed Lot 4: Access Road (20.0m wide) having an area of 1.5415 hectare and 7372 square metre and part of land hooked to proposed Lot 3, lying west of proposed Lot 5 and having an area of 1.3926 hectares respectively are to be designated as Lot 7: Harbour Reserve which shall be planted with appropriate vegetation in consultation with the Conservator of Forests.
3. That the method of drainage, waste water and refuse disposal be to the satisfaction of the Bua Rural Local Authority.
4. That the method of night soil disposal be by septic tank system constructed to the satisfaction of the Bua Rural Local Authority.
5. That no building be erected without the prior consent of the Director of Town and Country Planning and the approval of the Bua Rural Local Authority.
6. That no other use be allowed other than that approved or consented to by Director of Town and Country Planning.
7. That the land shall be surveyed in accordance to the approved Scheme layout and no building application or other structural works be allowed until the Survey Plan is approved by the Surveyor General.
8. That provision shall be made for adequate and wholesome water to the subdivision to the satisfaction of the Bua Rural Local Authority.
9. That the following building line restriction shall be imposed;
 - i. 18.0m along the Wainikoro-Dama Road.
 - ii. 18.0m along the proposed 20.0m Road
 - iii. 9.0m along the 12.0m wide Road.
10. That the Wainikoro-Dama Road be access denial and a 0.2m wide access denial strip be surveyed as separate lot and shown on the Survey Plan.
11. That the 12.0m wide road (Reflected as Lot 4 on the proposed scheme) shall be widened to 20.0m throughout and maintained by the developer. This shall be noted on the Survey Plan.
12. That the 20.0m wide Access (Lot 4) shall be properly truncated at the junction of the Wainikoro-Dama Road. Construction shall be carried out in consultation with Fiji Roads Authority.
13. That the Developer be responsible for the naming of all proposed streets, roads within the subdivision and after obtaining the Director of Lands approval in accordance with the procedure for naming of streets/roads, erect street road signs at locations to be determined by Fiji Roads Authority. These signs should be in place before taking over for future maintenance and these names be shown on the Survey Plan before plans can be released for approval.
14. That provision of drainage shall be provided for the subject site and the method of drainage shall be practical that the site is drained in a manner that the surface or sullage water does not run onto another property except into a natural water course or approved outlet.
15. That the 9.0m River Bank Reserve shall be imposed along the Nawailevu River and Nadamanu River and surveyed as a separate lot.
16. That a detailed Environment Management Plan (EMP) be prepared in close consultation with the Department of Environment. The Terms of Reference (TOR) shall include the Social Impact Assessment study to be carried out for the Mataqali-Naicobo of Nawailevu village and Mataqali Naita of Votua village. A copy of the approved EMP shall be submitted to the Director of Town and Country Planning for consideration and file records.

at each phase of the development. This shall be plainly replicated in both the construction and operational phase and reflected in the EMP under the Mitigation Measures.
18. That the engineering plans for the excavation of the bauxite ore together with Environment Management Plan approved by the Department of Environment be submitted for approval. These shall consist of nine (9) sets of plans with appropriate forms of which five (5) shall be submitted initially for consultation purposes and shall include clear locality plans, drainage, catchments plan etc. The developer shall submit one set of plans to the Water Authority of Fiji.
19. That all existing and proposed drains be formed and constructed to the satisfaction of Bua Rural Local Authority and easement shown on the Survey Plan and registered.
20. That all existing buildings and structures on the site shall be shown on the Survey Plan and that any encroaching structures on the site shall be demolished partly or fully to provide for the required setbacks and building line restrictions as per Schedule B of the Town Planning Act General Provisions. This shall be shown on the Survey Plan before it is cleared for approval.
21. That the Surveyor Consultant/Developer to submit certificates from the Bua Rural Local Authority, Fiji Roads Authority (FRA), Water Authority of Fiji (WAF), Director of Environment (DoE), Central Board of Health (CBH), I Taukei Land Trust Board (ITLTB) and National Fire Authority confirming to us that the subdivision is complete, and all conditions of approval have been complied with before we can release Survey Plans for approval.
22. That the consent of the Landlord (ITLTB) and Director of Mineral Resources to be obtained and endorsed on the survey plan prior to its clearance.
23. That this approval is valid for two (2) years only.



We, Aurum Exploration (Fiji) Limited a limited liability company incorporated in Fiji having its registered office at Copra Shed Marina, Savusavua, Fiji do hereby accept this lease.

DATED this 29th day of September 2014.

The common seal of Aurum Exploration (Fiji) Limited was hereunto affixed in our presence and we certify that we are the proper officers by whom and in whose presence the said Seal is to be affixed to documents executed by the said Company



[Signature]
Director

[Signature]
Director/ Secretary

[Signature]
Witnessed by: **Artika Prasad** BCOM.LLB
Barrister & Solicitor
Counselor for Cases
SOLVING

Signed by the Director of Lands for and on behalf of the lessor:-

[Signature]
Director of Lands

[Signature]
Witnessed by: **Kavita Prasad**
Assistant Lands officer

MEMORANDUM OF LEASE

S2011-2604/3
Date Stamped: 9/3/2011 LU 3/1/1
STAMP DUTY Paid \$12,489.00
Commissioner of Stamp Duties

Premium \$11,351.80
Original \$ 1,137.00
Duplicate \$ 1.00
\$12,489.80

Paid vide RR265169

of 24/2/2011

Sm oke
for Director of Lands

SPECIAL LEASE
Mining Excavation Site

DESIGNATED LAND

THE DIRECTOR OF LANDS
[hereinafter referred to as the lessor]
on behalf of the **TRUSTEES MATAQALI**
NAICOBO of Fiji hereby leases to
AURUM EXPLORATION [FIJI]
LIMITED, a limited liability company having
its registered office; Private Mail Bag,
SAVUSAVU.
[hereinafter referred to as the lessee]

UNDER THE LAND USE DECREE 36/2010

All that piece of Land being

Name of Land	Province	District or Town	Area	Lot No.	Plan No. (d)
Nawailevu [Part of]	Bua	Bua	150.7827ha	3 & 4	SO 6268

the boundaries of which are more particularly delineated on the plan hereon to be held by the said **AURUM EXPLORATION [FIJI] LIMITED** for the Term and at the Rent payable to the Director of Lands and subject to the terms and conditions set out in Annexures A and B.

18262
LEASE NO.....
FOR TITLES OFFICE USE ONLY

FEES

Registration Fee \$ 2.45

Drawing Fee \$ 200.00

Plan Fee \$ 50.00

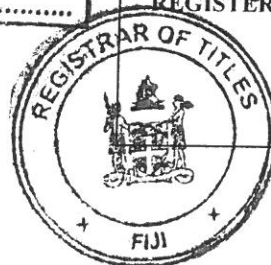
Survey Fee \$18,000.00

Total \$18,252.45

Revenue Receipt No. R265169

Date: 24/2/2011

Initials *Sw*



LEASE NO. **18262**

REGISTERED **09 MAR 2011** at **11.30am**

Registrar of Titles
Registrar of Titles

ANNEXURE A
REFERENCE SCHEDULE AND SPECIAL CONDITIONS

This is Annexure A to lease between the Director of Lands (*lessor*) and Aurum Exploration [Fiji] Limited (*lessee*).

1. Reference Schedule

In this lease, the following items as defined as follows:

<i>Item 1</i>	Term	Twenty [20] years , commencing upon the Commencement Date.
<i>Item 2</i>	Commencement Date	1st day of February, 2011
<i>Item 3</i>	Rent:	
	(a) Premium:	[\$567,590-00] Five hundred and sixty seven thousand, five hundred and ninety dollars payable in full on or before the Commencement Date.
	(b) Base Rent:	[\$18,920-00] Eighteen thousand, nine hundred and twenty dollars per annum , payable bi-annually in advance in two equal instalments.
<i>Item 4</i>	Rent Review	Upon every fifth anniversary of the Commencement Date, the Base Rent must be reviewed to fair market rent in accordance with Regulation 8 of the Land Use Regulations 2011.
<i>Item 5</i>	Outgoings	
	(a) Statutory:	All rates, taxes, charges, duties, and impositions assessed with respect to the land, the lessee's use of the land, or the lessee by the State or any lawful authority or statutory body.
	(b) Operating Expenses:	All insurance premiums payable by the lessor with respect to the land.
<i>Item 6</i>	Permitted Use	Bauxite Mining and Associated Camp Sites.
<i>Item 7</i>	Default Notice Periods	<i>1st Default Notice Period:</i> [14] fourteen days commencing upon the date the notice under clause 13(c) is given. <i>2nd Default Notice Period:</i> [7] seven days commencing upon the date the notice under clause 13(d) is given.



2. Special Conditions

Notwithstanding any provision of Annexure B, the following special conditions apply:

1. Definitions

In these special conditions:

“Environment Bond” means the bond approved by the Director of Environment under the Environment Management Act 2005, in a form and upon terms and conditions acceptable to the Director of Mines (in his or her absolute discretion).

“Fair Share Payment” means the greater of the following amounts per annum:

- (i) \$500,000.00; and
- (ii) the amount determined by multiplying the fair market price per tonne of bauxite in Nawailevu as at the Mining Start Date by 12500.

“Local Land Owning Units” means the Yavusa, Mataqali, and Tokatoka as the case may be who own the land.

“Mining Act” means the Mining Act [Cap 146] and any associated regulations issued, as amended from time to time.

“Mining Lease” means a lease which:

- (i) meets the requirements of a special mining lease under section 37 of the Mining Act;
- (ii) is in a form required by the Director of Mines (acting reasonably) and otherwise consistent with the other Transaction Documents; and
- (iii) which will provide for the lessee to carry out bauxite mining and extraction from the land to a maximum of 1,000,000 tonnes and for the payment of the Mining Rent, Mining Royalties and the provision of the Environment Bond.

“Mining Rent” means the annual rent payable under regulation 5(1)(b) of the Mining Regulations.

“Mining Royalties” means the royalties payable in accordance with section 54 of the Mining Act.

“Mining Start Date” means the earlier of the commencement date of the Mining Lease and the date of substantial commencement of mining on the land.

“Rock Royalty” means a royalty of \$2.60 per cubic metre of rock extracted from the land;

“Soil Royalty” means a royalty of \$3.00 per cubic metre of soil extracted from the land;

“Transaction Documents” means:

- (i) the quarry and stockpile site lease between the lessor and the lessee;
- (ii) the access to bauxite mining and camp site lease between the lessor and the lessee;



(iii) the foreshore lease between the lessor and the lessee,

entered into on or about the date of this lease and any Mining Lease granted to the lessee with respect to any land the subject of the leases described in paragraphs (i)-(iii).

2. Right to mine

- (a) The parties acknowledge that:
 - (i) the lessee has applied or will make application for the Mining Lease under the provisions of the Mining Act; and
 - (ii) the Director of Mines is required to comply with the requirements of section 18(3) of the Mining Act prior to the issuing of the Mining Lease.
- (b) Upon the commencement of the Mining Lease, the lessee may mine and remove rocks, soil or materials from the land for the purposes of extracting bauxite, provided that the lessee complies with the requirements of the Mining Lease, including the obligations to provide the Environment Bond, pay the Mining Rent, and the Mining Royalties.
- (c) Until the commencement of the Mining Lease, the lessee may not mine, remove rocks, soil or materials or carry out any activity for which a mining lease, licence or permit is required under the Mining Act.
- (d) In the event that the Mining Lease is not executed by the Director of Mines within 45 days after the date of this lease, then the lessee may terminate this lease by written notice to the lessor given at any time prior to the date the Director of Mines executes the Mining Lease. In the event the lease is terminated under this special condition 2(d), the lessor must refund any premium or base rent actually received from the lessee, but otherwise such termination will be without prejudice to the accrued rights of the parties.

3. Fair Share

- (a) The lessee must pay the lessor the Fair Share Payment annually in advance and without demand for the period of 2 years commencing upon the Mining Start Date.
- (b) In the event that the parties dispute the relevant the fair market price per tonne of bauxite in Nawailevu, then either party may refer to the dispute to the Minister for Lands for appointment of an independent valuer to determine the fair market price as at the Mining Start Date as follows:
 - (i) the parties make written submissions to the valuer;
 - (ii) the valuer must act as an expert and not an arbitrator;
 - (iii) the determination of the valuer will binding upon the parties; and
 - (iv) the parties must bear the costs of the determination equally.



4. **Rock & Soil Royalty**

The lessee must:

- (a) carry out an accurate survey and put in place proper monitoring system to ascertain the volume of bauxite, soil and rock extraction from the land;
- (b) permit the lessor (and its employees and agents) sufficient access to the land and to the lessee's records to review and audit the volume of bauxite, soil and rock extraction from the land; and
- (c) (in addition to any royalties payable under the Mining Act) pay the Rock Royalty and the Soil Royalty to the lessor monthly in arrears without demand.

5. **Use of local employees, services**

Where practicable, the lessee must use reasonable endeavours to source its unskilled and skilled employees and source contractors and service providers (for example, trucking, business transportation, meals to workers) from members of, and businesses owned by, the Local Land Owning Units.

6. **Local Land Uses**

The lessee must grant the members of the Local Land Owning Units supervised and free-of-charge access to their any part of the land not used for mining for the purposes of cutting firewood, farming, grazing and any other activity concerning the members' livelihood.

7. **Minimise Disruption**

The lessor must use reasonable endeavours to ensure that the members of the Local Land Owning Units (and their representatives) do not disrupt, delay or stop any mining or rehabilitation activity undertaken by the lessee.

8. **Protection of Local Land Owning Units**

The lessee must ensure that:

- (a) the local culture and tradition shall be observed and respected by the lessee and its staff;
- (b) mataqali boundary marks (mounds and pegs) if removed or destroyed in the course of the mining operation are to be re-instated in accordance with law and Surveyors Regulation; and
- (c) (in consultation with the members of the Local Land Owning Units) any burial grounds identified within the demised land and which may be affected by the use or operations of the lessee (or anyone under the lessee's control) are relocated at the lessee's own costs to a suitable location approved by the Director of Environment.

9. **Financial Reporting**

The lessee to provide a detailed report of the true financial projections of income and expenditure of the full mining operations on the date of this lease and thereafter as and when required by the lessor.

10. **Approved Mining Plan**

The lessee must:

- (a) provide a mining plan approved by the Minister for Mineral Resources and must comply at all times with such approved plan; and
- (b) comply with the directions from time to time of the Director of Mines with respect to the conduct of the lessee's mining operations.

11. **Environmental Protection**

The lessee must:

- (a) provide a detailed report to address the rehabilitation and restoration of the land and environment to the satisfaction of the Director of Mines;
- (b) provide an approved environment impact assessment (EIA) report approved by the Director of Environment; and
- (c) pay compensation for damaged crops and trees and the quantum of compensation will be calculated in accordance with the Forestry and Agriculture Department Schedule of rates.

12. **OH&S**

On the Commencement Date and every year thereafter, the lessee must submit an occupational health and safety management plan with respect to its use of the land for approval by the Director of Lands. The lessee must ensure that it and its employees, agents and contractors comply with the current approved occupational health and safety management plan.

13. **Interdependency**

The parties agree that:

- (a) a default under any of the Transaction Documents by the lessee will be deemed to be a default by the lessee under this lease;
- (b) where any Transaction Document is validly terminated by the lessor on account of the default of the lessee under that Transaction Document, the lessor may terminate this lease and will be entitled to contractual damages as if this lease was terminated due to the default of the lessee; and
- (c) the rights of the parties under this lease are cumulative and in addition to their respective rights under the other Transaction Documents.

14. **Costs**

The lessee must pay to, or as directed by, the lessor on or before the Commencement Date the following:

- (a) survey fees with respect to the lease in the amount of \$18,000.00;
- (b) lease preparation costs of \$1066.00;

**ANNEXURE B
GENERAL CONDITIONS**

This is Annexure B to lease between the Director of Lands (*lessor*) and **Aurum Exploration [Fiji] Limited** (*lessee*).

1. Land

- (a) The lessor grants and the lessee accepts a lease of the land for the term and at the rent and on the terms and conditions of this lease.
- (b) The grant of the lease is subject to the following reservation:
 - (i) the lessor reserves all precious metals, coals and minerals of every description including crude oil upon, in or under the land with full liberty at all times to search, dig for and carry away such metals, coals and minerals of every description including crude oil and for that purpose to enter upon the said land or any part thereof.

2. Rent

- (a) The lessee must pay the rent in cleared funds when due and without demand.
- (b) The lessor may from time to time specify the manner in which the Rent must be paid, including any requirement that rent be paid by electronic funds transfer to an account nominated by the lessor.
- (c) The rent will be adjusted and reviewed as the case may be in the manner specified in the Reference Schedule.

3. Outgoings

- (a) The lessor may from time to time provide the lessee with a statement detailing the outgoings. The statement may include actual or estimated amounts, however where an estimated amount is included the lessor must promptly reconcile such estimated amounts as against the actual amounts incurred and include the adjustment in the following statement of outgoings.
- (b) The lessee must pay the amount specified in the statement within 14 days of receipt in cleared funds.

4. Assignment and Sub-letting

- (a) This lease is a protected lease under the provisions of Section 12 (1) of the Land Use Decree 36/2010.
- (b) The lessee must not alienate or deal with its estate or interest in the lease of any part thereof, whether by sale, transfer or sublease or any other manner whatsoever, nor to mortgage, charge or pledge the same, without the written consent of the Director of Land first had and obtained, nor except at the suit or with the written consent of the Director of Land shall any such lease be dealt with by any court of law or under the process of any court of law, nor, without such consent as aforesaid, shall the Registrar of Titles register any caveat affecting such lease.



- (c) For the purposes of this clause,
 - (i) where the lessee is a company and there is either:
 - (A) a change in the beneficial ownership of the lessee;
 - (B) a change in the majority shareholding of the lessee; or
 - (C) a change in the person or persons in ultimate control of the lessee, or
 - (ii) where the lessee makes a declaration of trust with respect to the lease,

then such occurrence will be deemed to constitute a transfer of the lease requiring the prior written consent of the Director of Land.
- (d) Paragraph (c)(i) will not apply where:
 - (i) the change occurs solely by virtue of a change in ownership of any shares listed on an official list of a stock exchange; or
 - (ii) where the lessee is a foreign investor within the meaning of the Foreign Investment Act and the requirements of that Act are complied with respect to the change.
- (e) The lessor may disregard and treat as null and void any purported dealing with the lease in contravention of this clause.
- (f) As a condition of granting consent, the lessor may require the lessee to repay any fitout contributions, lease incentives or costs provided or incurred by the lessor under the lease in the immediately preceding ten years. This paragraph will not apply to transfers by way of administration and natural love and affection to the spouse and children of the lessee.
- (g) Any consent under this lease may be given in writing by any officer or officers, either solely or jointly, authorised on behalf of the lessor. Any consent given under the lease will lapse if not acted upon within ninety (90) days after the consent is given.

5. Permitted Use

- (a) The Lessee must:
 - (i) use and must continue to use the land for the Permitted Use; and
 - (ii) not use the land for any purpose other than the Permitted Use.
- (b) Where the Permitted Use includes a use specified in the first column of Schedule 1, then the provisions of the second column of Schedule 1 will apply.
- (c) The Lessee must not subdivide the land without the prior written consent of the lessor obtained and then only in accordance with a plan of subdivision approved by the lessor in writing.
- (d) The Lessee shall not obstruct in any way the free passage of any person over the public thoroughfare intersecting or adjoining the demised land and shall if required by the Lessor of the Divisional Surveyor so to do forthwith remove any crop or other obstruction placed by him on such public thoroughfare in contravention of this condition. Should any question arise as to whether any path intersecting or adjoining the demised land is a public



thoroughfare it shall be referred to the Director of Land whose decision shall be final and conclusive.

6. Repairs and Maintenance

The lessee must at its cost:

- (a) keep the land and any improvements in good repair and condition, including the carrying out of any structural repairs;
- (b) carry out such drainage works as may be required to the satisfaction of the lessor; and
- (c) keep clean and open and maintain in good condition all drains ditches, water-courses and drainage and sewage systems in upon or intersecting the demised land to the satisfaction of the Lessor.

7. Access

The lessor or any authorised person or persons may at any time without let or hindrance:

- (a) enter upon the land to construct, place, or maintain, posts, pipes, cables or wires and drains of any nature whatsoever above or below the ground anywhere within the land; and
- (b) enter upon such drainage reserve for the purpose of carrying out any drainage works or repairs whatsoever; and
- (c) any rights exercised under this clause will not constitute re-entry or forfeiture of the lease.

8. Protection of assets

- (a) The lessee must not erect or permit to be erected any structure of any nature whatsoever over or upon any portion or portions of the land:
 - (i) where posts, pipes and cables or wires have been placed and where drains of any nature whatsoever have been dug; or
 - (ii) shown on the plan hereon as drainage reserve and coloured blue,and the lessee must not do any act or thing that will or may:
 - (iii) damage any post, pipe, cable, wire or drain or impede the flow of water along any drain constructed within the land; or
 - (iv) damage or impede the flow of water along any drain that has been or may be constructed or excavated along such drainage reserve.
- (b) The lessee must not remove or dispose of by sale or otherwise any forest produce growing upon the land without the written consent of the lessor first had and obtained and subject to such conditions as to the payment of royalty or otherwise prescribed by the Forest Regulations as the lessor may direct;
- (c) The lessee must keep open and maintain in good condition to the satisfaction of the lessor all drains, ditches and water courses upon or intersecting the demised land.

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- (a) keep the land and any improvements in good repair and condition, including the carrying out of any structural repairs;
- (b) carry out such drainage works as may be required to the satisfaction of the lessor; and
- (c) keep clean and open and maintain in good condition all drains ditches, water-courses and drainage and sewage systems in upon or intersecting the demised land to the satisfaction of the Lessor.

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- (c) any rights exercised under this clause will not constitute re-entry or forfeiture of the lease.

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 - (iii) damage any post, pipe, cable, wire or drain or impede the flow of water along any drain constructed within the land; or
 - (iv) damage or impede the flow of water along any drain that has been or may be constructed or excavated along such drainage reserve.
- (b) The lessee must not remove or dispose of by sale or otherwise any forest produce growing upon the land without the written consent of the lessor first had and obtained and subject to such conditions as to the payment of royalty or otherwise prescribed by the Forest Regulations as the lessor may direct;
- (c) The lessee must keep open and maintain in good condition to the satisfaction of the lessor all drains, ditches and water courses upon or intersecting the demised land.

NRX

9. Boundary marks to be protected by lessee

The lessee must in all respects at its cost:

- (i) have boundaries of which have been surveyed and marked on the ground;
- (ii) maintain and protect such boundary marks from loss or damage; and
- (iii) maintain such marks and the boundary lines reasonably clear of bushes, weeds, vines, or other undergrowth so as to enable such survey marks and boundary lines to be readily found and followed at any time;

Provided that no boundary mark established by a surveyor shall be moved, replaced or otherwise interfered with by any person not being a registered surveyor other than by re-piling fallen stones or earth around such mark.

10. Insurance

The lessor may effect prudent policies of insurance with respect to:

- (a) public liability (including personal injury and property damage);
- (b) building replacement insurance; and
- (c) industrial special risks,

and may require the lessee to reimburse the lessor a fair proportion of any premiums paid by the lessor or the State. The lessee must not do anything which may vitiate or cancel the lessor's insurance policies.

11. Indemnity

The lessee releases and indemnifies the lessor, the State, the Trustees, native land owners (and any of their respective agents, contractors, officers and employees) from any loss, damage, liability or claims with respect to the use or occupation of the land by the lessee (or anyone under the lessee's control) with respect to the lease.

12. Warranty

Each party warrants to the other that it has legal capacity to enter into this lease and to grant and perform the rights and obligations contained in the lease. The lessee warrants that, to the best of the lessee's knowledge, any information provided with respect to this lease under Regulation 9(1) is true and correct as at the Commencement Date and the lessee indemnifies the lessor from any loss, damage, liability or claims caused by the breach of this warranty.

13. Default

- (a) In the event of any breach by the lessee of any covenant or condition in this lease the Lessor may issue a notice to the lessee specifying the default and requiring that the default be remedied within the 1st Default Notice Period.
- (b) Where the default is not capable of remedy, the lessee will be deemed to have remedied the default upon payment to the lessor in cleared funds reasonable compensation for the default as determined by the lessor (acting reasonably).

9. Boundary marks to be protected by lessee

The lessee must in all respects at its cost:

- (i) have boundaries of which have been surveyed and marked on the ground;
- (ii) maintain and protect such boundary marks from loss or damage; and
- (iii) maintain such marks and the boundary lines reasonably clear of bushes, weeds, vines, or other undergrowth so as to enable such survey marks and boundary lines to be readily found and followed at any time:

Provided that no boundary mark established by a surveyor shall be moved, replaced or otherwise interfered with by any person not being a registered surveyor other than by re-piling fallen stones or earth around such mark.

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- (a) In the event of any breach by the lessee of any covenant or condition in this lease the Lessor may issue a notice to the lessee specifying the default and requiring that the default be remedied within the 1st Default Notice Period.
- (b) Where the default is not capable of remedy, the lessee will be deemed to have remedied the default upon payment to the lessor in cleared funds reasonable compensation for the default as determined by the lessor (acting reasonably).

- (c) Where the default remains unremedied after the expiry of the 1st Default Notice Period specified in the notice of default, the lessor may give the lessee a further notice stating that if the default remains unremedied within the 2nd Default Notice Period, then the lessor may terminate the lease.
- (d) Where the default remains unremedied after the expiry of the 2nd Default Notice Period, the lessor may automatically terminate the lease by notice to the lessee, such notice must be given at any time within 6 months after the expiry of the 2nd Default Notice Period.
- (e) Upon termination of the lease, the lessor may enter upon and take possession of the land, without limiting any other rights of the lessor.
- (f) Notwithstanding any other provision of this lease,
 - (i) if the lessee becomes (or if one or more of the lessees become) bankrupt or insolvent then the lessor may terminate this lease immediately, and such termination will be without prejudice to any other rights of the lessor; and
 - (ii) where the lessee has defaulted under the lease, the lessor may (but without being obliged to do so) take such steps as are reasonably necessary or convenient to remedy the breach or limit or contain the likely loss or damage arising out of or in connection with the breach and may recover its reasonable costs and expenses thereby incurred from the lessee as a liquidated debt and any actions taken by the lessor will be deemed not to constitute re-entry or forfeiture of the lease.

14. Improvements

- (a) The lessee may remove any building or improvement erected by the lessee on the land at any time within 3 months after the expiration of the lease at its own expense provided that:
 - (i) before the removal of any building the lessee shall have paid all rent owing by him and shall have performed or satisfied all his other obligations to the lessor in respect of the demised land;
 - (ii) in the removal of any building the lessee shall not do any avoidable damage to any other buildings or other part of the demised land;
 - (iii) immediately after the removal of any building the lessee shall make good all damage occasioned to any other building or other part of the demised land;
 - (iv) the lessee shall not remove any building without giving one month's previous notice in writing to the lessor of his intention to remove it;
 - (v) at any time before the expiration of notice of removal, the lessor, by notice in writing given by him to the lessee, may elect to purchase any building comprised in the notice of removal, and any building thus elected to be purchased shall be left by the lessee and shall become the property of the lessor, who shall pay to the lessee the fair value;
 - (vi) if the lessee applies for a renewal of the lease the provisions of paragraph (i) shall be deemed to cease to apply as from the date of the application of the lessee for a renewal of the lease; and
 - (vii) that in the event of any breach by the lessee of any covenant or condition in the lease the lessor may enter upon and take possession of the land without limiting any other rights of the lessor.

15. Compliance with Laws

The lessee must comply at all times with all laws applicable to the land, the lease and the lessee.

16. Governing Law

This lease will be governed by the laws of Fiji.

17. Definitions and Interpretation

In this lease:


- (a) references to a person include an individual, firm or a body, corporate or unincorporate;
- (b) terms which are defined in the Land Use Decree 2010 or the Land Use Regulations 2011 have the same meaning in this lease;
- (c) the word "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary;
- (d) clause headings and subclause headings shall not be used in the interpretation of the lease;
- (e) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender and other parts of speech and grammatical forms of a word or phrase defined in the Lease have a corresponding meaning;
- (f) unless otherwise provided, all references to monetary amounts in the lease are in Fiji dollars;
- (g) if any provision of the lease is deemed to be or becomes void, voidable or unenforceable, it shall be read down or, if incapable of being read down, severed and the remaining provisions of the lease shall continue to have full force and effect;
- (h) a reference to a decree, statute, regulation, proclamation, ordinance or by-law includes all decrees, statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a decree or statute includes all regulations, proclamations, ordinances and by-laws issued under that decree or statute;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of the lease will be construed adversely to a party solely on the ground that the party was responsible for the preparation of the Lease or that provision; and
- (k) a covenant or agreement on the part of 2 or more persons binds them jointly and severally.



Signed by the Director of Lands for and on behalf of the Lessor:




Witnessed by:


ALEXANDER MILNER




Signed by the Lessee



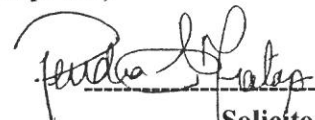

SIRELI DAGAGA
COMPANY SECRETARY

Witnessed by:



A/SIWATIBAU

Correct for the purposes of the Land Transfer Act (Cap. 131)



Solicitor

AJENDRA A PRATAP
Commissioner for Oaths
Barrister and Solicitor
High Court of Fiji
Date



No..... Registeredat.....m

To

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Registrar of Titles

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Registrar of Titles

MEMORANDUM OF LEASE

LU 3/1/7/2

STAMP DUTY

Original \$500.00
Duplicate \$ 5.00
\$505.00

Paid vide RR263701

of 15/05/2014

for Director of Lands

ACCESS LEASE

DESIGNATED ITAUKEI LAND

THE DIRECTOR OF LANDS

[Hereinafter referred to as the lessor]
on behalf of the **TRUSTEES MATAQALI**
Naita of Fiji hereby leases to

AURUM EXPLORATION (FIJI) LIMITED
A Limited liability Company having
it registered office at Copra Shed Marina,
Savusavu, Fiji.

[Hereinafter referred to as the lessee]

LEASE NO.....
FOR TITLES OFFICE USE ONLY

FEES- VAT INCLUSIVE

Registration Fee \$245.00
Documentation Fee \$230.00
Plan Fee \$57.50
Application Fee \$115.00
Total **\$404.95**

Revenue Receipt 263701

Date: 15/05/2014

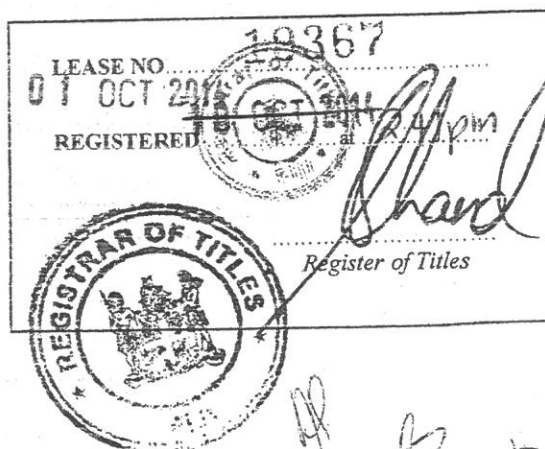
Initials: *Gu*

UNDER THE LAND USE DECREE 36/2010

All that piece of Land being

Name of Land	Province	District or Town	Area	Lot No.	Plan No. (d)
Veiseaseavula	Bua	Lekutu	1.7817hac	3	SO 6786

The boundaries of which are more particularly delineated on the plan hereon to be held by the said **Aurum Exploration Fiji Limited** for the Term and at the Rent payable to the Director of Lands and subject to the terms and conditions set out in Annexures A and B.



P.P


ANNEXURE A
REFERENCE SCHEDULE AND SPECIAL CONDITIONS

This is Annexure A to lease between the Director of Lands (*lessor*) and Aurum Exploration (Fiji) Limited (*lessee*).

1. Reference Schedule

In this lease, the following items as defined as follows:

Item 1	Term	Twenty [20] years, commencing upon the Commencement Date.
Item 2	Commencement Date	1 st day of July, 2014
Item 3	Rent:	
(a)	Premium:	\$12,000.00 Twelve thousand dollars
(b)	Base Rent	[\$430.00] Four hundred and thirty dollars per annum, for the first five years
Item 4	Rent Adjustment	Upon each anniversary of the Commencement Date (other than a date the Base Rent is reviewed to fair market rent), the Base Rent will increase by fair market analysis and recommendation.
Item 5	Rent Review	Upon every [fifth] anniversary of the Commencement Date, the Base Rent must be reviewed to fair market rent in accordance with Regulation 8 of the Land Use Regulations 2011.
Item 6	Outgoing	
(a)	Statutory:	All rates, taxes, charges, duties, and impositions assessed with respect to the land, the lessee's use of the land, or the lessee by the State or any lawful authority or statutory body.
(b)	Operating Expenses:	All insurance premiums payable by the lessor with respect to the land.
Item 7	Permitted Use:	Access lease
Item 8	Option to Renew	Nil
Item 9	Security	Nil
Item 10	Default Notice Periods	1 st Default Notice Period: 14 days commencing upon the date the notice under clause 13(c) is given. 2 nd Default Notice Period : 7 days commencing upon the date the notice under clause 13(d) is given.


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2.0 Special Conditions

Notwithstanding any provision of Annexure B, the following special conditions apply:

2.1 Supervised Access

- (a) The Lessee shall grant supervised access to the following individuals and groups for the purpose stated herein.
 - i) **Land Owning Units of Mataqali Naita:** To access their back lands to cut firewood, farming, grazing and carry out any other activity concerning their livelihood.
 - ii) **Leaseholders & Members of settlements residing beyond the Mining Site:** To access their leased lands and settlements.
- b) Prior to granting of approval for the use of the access road as in (i) & (ii) the lessee must first ensure that the mining operations are not disrupted.
- c) The lessee shall not any time during the term of the lease restrict access to the individuals and groups as in (i) & (ii) above without proper reasoning.
- d) Good sense must always prevail.

2.2 Road Maintenance

The lessee shall be responsible for all road maintenance work to the satisfaction of the lessor and shall not any time during the term of the lease require the person in 2.1 (i) & (ii) above to contribute in monetary terms towards the costs of road maintenance.

2.3 Minimize Disruption

The Director of Lands aided by the relevant ministries shall ensure upon lessees request that there are no unreasonable delays, disruptions or stoppages to the business activities of the lessee. Any such disruptions caused by the Landowners or their representative must be reported to the Director of Lands who will take all reasonable steps to address the disruptions.

2.4 Environment Management

The lessee shall comply with the provision of the Environment Management Act 2005 and all the law pertaining to the environment.

2.5 Merchantable tree, crops

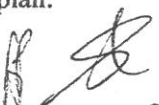
The lessee shall pay compensation for damaged crops and trees and the quantum of compensation shall be based on the Forestry and Agriculture Department Schedule of rates.

2.6 Rock & Soil Royalty

Should soil and rocks be removed from the leased land, the lessee shall pay the current rock and soil royalty without demand under the relevant laws of Fiji to the lessor.

2.7 Occupational Health & Safety

The lessee must ensure that the company and its employee's agents and contractors are covered and comply with the current approved occupational health and safety management plan.


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2.8 Cultural and Old Burial Sites

The Land Owning Unit and Director of Lands must be consulted should any Burial and cultural scared sites or artifacts encountered during the course of any work. Relocation of sites must be done at the lessee's cost.

2.9 Good Governance

The lessee shall observe and follow where applicable all relevant laws, regulations, policies and the best road construction principles and practices.

3.0 Boundary pegs and mounds

The lessee shall ensure that all survey boundary marks(mounds and pegs) if removed or destroyed in the course of development are to be reinstated by the lessee in accordance with the laws and surveyors regulations.



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**ANNEXURE B
GENERAL CONDITIONS**

This is Annexure B to lease between the Director of Lands (*lessor*) and **Aurum Exploration (Fiji) Limited** (*lessee*).

1. Land

- (a) The lessor grants and the lessee accept a lease of the land for the term and rent and on the terms and conditions of this lease.
- (b) The grant of the lease is subject to the following reservation:
 - (i) the lessor reserves all precious metals, coals and minerals of every description including crude oil upon, in or under the land with full liberty at all times to search, dig for and carry away such metals, coals and minerals of every description including crude oil and for that purpose to enter upon the said land or any part thereof.

2. Rent

- (a) The lessee must pay the rent in cleared funds when due and without demand.
- (b) The lessor may from time to time specify the manner in which the Rent must be paid, including any requirement that rent be paid by electronic funds transfer to an account nominated by the lessor.
- (c) The rent will be adjusted and reviewed as the case may be in the manner specified in the Reference Schedule.

3. Outgoings

- (a) The lessor may from time to time provide the lessee with a statement detailing the outgoings. The statement may include actual or estimated amounts, however where an estimated amount is included the lessor must promptly reconcile such estimated amounts as against the actual amounts incurred and include the adjustment in the following statement of outgoings.
- (b) The lessee must pay the amount specified in the statement within 14 days of receipt in cleared funds.

4. Assignment and Sub-letting

- (a) This lease is a protected lease under the provisions of Section 12 (1) of the Land Use Decree 36/2010.
- (b) The lessee must not alienate or deal with its estate or interest in the lease of any part thereof, whether by sale, transfer or sublease or any other manner whatsoever, nor to mortgage, charge or pledge the same, without the written consent of the Director of Lands first had and obtained, nor except at the suit or with the written consent of the Director of Land shall any such lease be dealt with by any court of law or under the process of any court of law, nor, without such consent as aforesaid, shall the Registrar of Titles register any caveat affecting such lease.

 
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(c) For the purposes of this clause,

(i) where the lessee is a company and there is either:

(A) a change in the beneficial ownership of the lessee;

(B) a change in the majority shareholding of the lessee; or

(C) a change in the person or persons in ultimate control of the lessee, or

(ii) where the lessee makes a declaration of trust with respect to the lease,

then such occurrence will be deemed to constitute a transfer of the lease requiring the prior written consent of the Director of Land.

(d) Paragraph (c) (i) will not apply where:

(i) the change occurs solely by virtue of a change in ownership of any shares listed on an official list of a stock exchange; or

(ii) where the lessee is a foreign investor within the meaning of the Foreign Investment Act and the requirements of that Act are complied with respect to the change.

(e) The lessor may disregard and treat as null and void any purported dealing with the lease in contravention of this clause.

(f) As a condition of granting consent, the lessor may require the lessee to repay any fit out contributions, lease incentives or costs provided or incurred by the lessor under the lease in the immediately preceding ten years. This paragraph will not apply to transfers by way of administration and natural love and affection to the spouse and children of the lessee.

(g) Any consent under this lease may be given in writing by any officer or officers, either solely or jointly, authorized on behalf of the lessor. Any consent given under the lease will lapse if not acted upon within ninety (90) days after the consent is given.

5. Permitted Use

(a) The Lessee must:

(i) use and must continue to use the land for the Permitted Use; and

(ii) not use the land for any purpose other than the Permitted Use.

(b) Where the Permitted Use includes a use specified in the first column of Schedule 1, then the provisions of the second column of Schedule 1 will apply.

(c) The Lessee must not subdivide the land without the prior written consent of the lessor obtained and then only in accordance with a plan of subdivision approved by the lessor in writing.

(d) The Lessee shall not obstruct in any way the free passage of any person over the public thoroughfare intersecting or adjoining the demised land and shall if required by the Lessor of the Divisional Surveyor so to do forthwith remove any crop or other obstruction placed by him on such public thoroughfare in contravention of this



condition. Should any question arise as to whether any path intersecting or adjoining the demised land is a public thoroughfare it shall be referred to the Director of Lands whose decision shall be final and conclusive.

6. Repairs and Maintenance

The lessee must at its cost:

- (a) keep the land and any improvements in good repair and condition, including the carrying out of any structural repairs;
- (b) carry out such drainage works as may be required to the satisfaction of the lessor; and
- (c) keep clean and open and maintain in good condition all drains ditches, water-courses and drainage and sewage systems in upon or intersecting the demised land to the satisfaction of the Lessor.

7. Access

The lessor or any authorised person or persons may at any time without let or hindrance:

- (a) enter upon the land to construct, place, or maintain, posts, pipes, cables or wires and drains of any nature whatsoever above or below the ground anywhere within the land; and
- (b) enter upon such drainage reserve for the purpose of carrying out any drainage works or repairs whatsoever; and
- (c) any rights exercised under this clause will not constitute re-entry or forfeiture of the lease.

8. Protection of assets

- (a) The lessee must not erect or permit to be erected any structure of any nature whatsoever over or upon any portion or portions of the land:
 - (i) where posts, pipes and cables or wires have been placed and where drains of any nature whatsoever have been dug; or
 - (ii) shown on the plan hereon as drainage reserve and coloured blue, and the Lessee must not do any act or thing that will or may;
 - (iii) damage any post, pipe, cable, wire or drain or impede the flow of water along any drain constructed within the land; or
 - (iv) damage or impede the flow of water along any drain that has been or may be constructed or excavated along such drainage reserve.
- (b) The lessee must not remove or dispose of by sale or otherwise any forest produce growing upon the land without the written consent of the lessor first had and obtained and subject to such conditions as to the payment of royalty or otherwise prescribed by the Forest Regulations as the lessor may direct;
- (c) The lessee must keep open and maintain in good condition to the satisfaction of the lessor all drains, ditches and water course upon or intersecting the demised land.

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9. Boundary marks to be protected by lessee

The lessee must in all respects at its cost:

- (i) have boundaries of which have been surveyed and marked on the ground;
- (ii) maintain and protect such boundary marks from loss or damage; and
- (iii) maintain such marks and the boundary lines reasonably clear of bushes, weeds, vines, or other undergrowth so as to enable such survey marks and boundary lines to be readily found and followed at any time:

Provided that no boundary mark established by a surveyor shall be moved, replaced or otherwise interfered with by any person not being a registered surveyor other than by re-piling fallen stones or earth around such mark.

10. Insurance

The lessor may affect prudent policies of insurance with respect to:

- (a) public liability (including personal injury and property damage);
- (b) building replacement insurance; and
- (c) industrial special risks,

and may require the lessee to reimburse the lessor a fair proportion of any premiums paid by the lessor or the State. The lessee must not do anything which may vitiate or cancel the lessor's insurance policies.

11. Indemnity

The lessee releases and indemnifies the lessor, the State, the Trustees, native land owners (and any of their respective agents, contractors, officers and employees) from any loss, damage, liability or claims with respect to the use or occupation of the land by the lessee (or anyone under the lessee's control) with respect to the lease.

12. Warranty

Each party warrants to the other that it has legal capacity to enter into this lease and to grant and perform the rights and obligations contained in the lease. The lessee warrants that, to the best of the lessee's knowledge, any information provided with respect to this lease under Regulation 9(1) is true and correct as at the Commencement Date and the lessee indemnifies the lessor from any loss, damage, liability or claims caused by the breach of this warranty.

13. Default

- (a) In the event of any breach by the lessee of any covenant or condition in this lease the Lessor may issue a notice to the lessee specifying the default and requiring that the default be remedied within the 1st Default Notice Period.

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- (b) Where the default is not capable of remedy, the lessee will be deemed to have remedied the default upon payment to the lessor in cleared funds reasonable compensation for the default as determined by the lessor (acting reasonably).
- (c) Where the default remains unremedied after the expiry of the 1st Default Notice Period specified in the notice of default, the lessor may give the lessee a further notice stating that if the default remains unremedied within the 2nd Default Notice Period, then the lessor may terminate the lease.
- (d) Where the default remains unremedied after the expiry of the 2nd Default Notice Period, the lessor may automatically terminate the lease by notice to the lessee, such notice must be given at any time within 6 months after the expiry of the 2nd Default Notice Period.
- (e) Upon termination of the lease, the lessor may enter upon and take possession of the land, without limiting any other rights of the lessor.
- (f) Notwithstanding any other provision of this lease,
 - (i) if the lessee becomes (or if one or more of the lessees become) bankrupt or insolvent then the lessor may terminate this lease immediately, and such termination will be without prejudice to any other rights of the lessor; and
 - (ii) where the lessee has defaulted under the lease, the lessor may (but without being obliged to do so) take such steps as are reasonably necessary or convenient to remedy the breach or limit or contain the likely loss or damage arising out of or in connection with the breach and may recover its reasonable costs and expenses thereby incurred from the lessee as a liquidated debt and any actions taken by the lessor will be deemed not to constitute re-entry or forfeiture of the lease.

14. Improvements

- (a) The lessee may remove any building or improvement erected by the lessee on the land at any time within 3 months after the expiration of the lease at its own expense provided that:
 - (i) before the removal of any building the lessee shall have paid all rent owing by him and shall have performed or satisfied all his other obligations to the lessor in respect of the demised land;
 - (ii) in the removal of any building the lessee shall not do any avoidable damage to any other buildings or other part of the demised land;
 - (iii) immediately after the removal of any building the lessee shall make good all damage occasioned to any other building or other part of the demised land;
 - (iv) the lessee shall not remove any building without giving one month's previous notice in writing to the lessor of his intention to remove it;
 - (v) at any time before the expiration of notice of removal, the lessor, by notice in writing given by him to the lessee, may elect to purchase any building comprised in the notice of removal, and any building thus elected to be purchased shall be left by the lessee and shall become the property of the lessor, who shall pay to the lessee the fair value;

[Handwritten signature]
[Handwritten initials] *[Handwritten mark]*

(vi) if the lessee applies for a renewal of the lease the provisions of paragraph (i) shall be deemed to cease to apply as from the date of the application of the lessee for a renewal of the lease; and

(vii) that in the event of any breach by the lessee of any covenant or condition in the lease the lessor may enter upon and take possession of the land and improvements without limiting any other rights of the lessor.

15. Compliance with Laws

The lessee must comply at all times with all laws applicable to the land, the lease and the lessee.

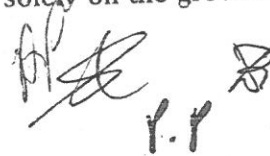
16. Governing Law

This lease will be governed by the laws of Fiji.

17. Definitions and Interpretation

In this lease:

- (a) references to a person include an individual, firm or a body, corporate or unincorporated;
- (b) terms which are defined in the Land Use Decree 2010 or the Land Use Regulations 2011 have the same meaning in this lease;
- (c) the word "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary;
- (d) clause headings and subclause headings shall not be used in the interpretation of the lease;
- (e) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender and other parts of speech and grammatical forms of a word or phrase defined in the Lease have a corresponding meaning;
- (f) unless otherwise provided, all references to monetary amounts in the lease are in Fiji dollars;
- (g) if any provision of the lease is deemed to be or becomes void, voidable or unenforceable, it shall be read down or, if incapable of being read down, severed and the remaining provisions of the lease shall continue to have full force and effect;
- (h) a reference to a decree, statute, regulation, proclamation, ordinance or by-law includes all decrees, statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a decree or statute includes all regulations, proclamations, ordinances and by-laws issued under that decree or statute;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of the lease will be construed adversely to a party solely on the ground

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that the party was responsible for the preparation of the Lease or that provision; and

- (k) a covenant or agreement on the part of 2 or more persons binds them jointly and severally.

SPECIFIC LAND USE CONDITIONS

*All uses other than
commercial, residential,
industrial, tramway uses*

In addition to any other conditions which the Director, in the circumstances of any case may see fit to impose, the lessee may only erect such buildings on the land as are necessary for:

- (a) dwelling or dwellings for the lessee;
- (b) dwellings for persons bona fide employed on the land; such as stockmen, farm, plantation or quarry labourers and supervisors; or
- (c) accommodation for implements, vehicles, horses, and other stock used in connection with the farm, plantation or quarry or any building connected with the work of a farm, plantation or quarry, as the case may be.

Handwritten signature and initials, including a large stylized 'P' and a circled 'X'.

P.P



Phone 324 3000
Ref GSC/TIN#50-13839-0-5 /OPS
Date 26-AUG-2010

The Authorised Officer
AURUM EXPLORATION (FIJI) LIMITED
C/- KPMG,
P O BOX 32
SUVA

6 SEP 2010

2010

Dear Sir Madam

NEW TAXPAYER REGISTRATION

Your application dated 30-MAY-2002 to register as a taxpayer has been processed and your Tax Identification Number (TIN) is : 50-13839-0-5

Please remember to quote this number in all future dealings with the Inland Revenue Services or at any FIRCA Office.

Any further queries regarding the above should be directed to the Customer Service Center at Nasese Complex, Building 1, Ground Floor or telephone on 3243000.

Yours Faithfully

Chief Executive Officer
Fiji Islands Revenue & Customs Authority

FIJI

TRUE COPY
19/9/07
REGISTRAR OF COMPANIES



CO.NO. 13667

CERTIFICATE

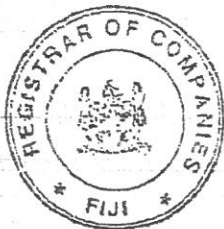
IN THE MATTER OF THE COMPANIES ACT, 1983

I, WENDELL ANTHONY ARCHIBALD,
Registrar of Companies of Fiji, DO
HEREBY CERTIFY that :

AURUM EXPLORATION (FIJI) LIMITED

formerly called KHARTOUM LIMITED
was changed by Special Resolution and
with the approval of the Registrar of
Companies on the 1st December, 2000
was incorporated under the Companies
Act as a Limited Company on the 6th day
of July, 1999.

GIVEN under my hand and seal this 4th
day of December, 2000.



W. A. Archibald
REGISTRAR OF COMPANIES

Copy

NO. OF COMPANY:

13667

PARTICULARS OF DIRECTORS AND SECRETARIES AND OF ANY CHANGES THEREIN

FORM NO. 203

NAME OF COMPANY : AURUM EXPLORATION (FIJI) LIMITED
 PRESENTED BY: KPMG, CHARTERED ACCOUNTANTS

ARTICULARS OF PERSONS WHO ARE DIRECTORS OF THE COMPANY AT THE DATE OF THIS RETURN AND OF PERSONS NOW CEASING TO BE DIRECTORS

1 NAME	2 ANY FORMER FORENAME OF NAME & SURNAMES	3 NATIONALITY	4 POSTAL ADDRESS	5 BUSINESS OCCUPATION AND PARTICULARS OF OTHER DIRECTORSHIPS	6 DATE OF BIRTH	7 CHANGES
Richard Nesbitt		Canadian	PO Box 262, Savusavu	Businessman		No change
Geoffrey Peter Taylor		Fiji Citizen	PO Box 262, Savusavu	Manager		Resigned 25 July 2008
Ian Levy		Australian	11 Plateau Road, Avalon NSW 2107, Australia	Vice President, Development's		No change
Xuexin Zhang		Chinese	Xinfa Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Company President		Appointed 25 July 2008
Jijun Liu		Chinese	Xinfa Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Company Vice-President		Appointed 25 July 2008
Gang Zhang		Chinese	Xinfa Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Company Finance Director		Appointed 25 July 2008
Shanbao Chen		Chinese	Xinfa Group Co. Ltd No. 241 North Shonne Street Chiping Country, Shangong Province China	Executive Director		Appointed 25 July 2008
Isirei Dagaga		Fijian	PO Box 262, Savusavu	Managing Director		Appointed 25 July 2008

30/07/2008



(STATE WHETHER DIRECTOR OR SECRETARY)

13

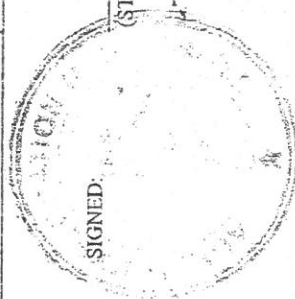
PARTICULARS OF DIRECTORS AND SECRETARIES AND OF ANY CHANGES THEREIN

OF COMPANY:
OF COMPANY : AURUM EXPLORATION (P) LIMITED
SENT BY: KPMG, CHARTERED ACCOUNTANTS

PARTICULARS OF EACH PERSON WHO IS A SECRETARY OF THE COMPANY AT THE DATE OF THIS RETURN

1 NAME	2 ANY FORMER FORENAME OF NAMES AND SURNAME	3 POSTAL ADDRESS	4 CHANGES
Geoffrey Peter Taylor	Nil	P.O. Box 262, Savusavi	Resigned 25 July 2008
Isreali Dagaga	Nil	P.O. Box 262, Savusavi	Appointed 25 July 2008

30/07/2008



[Signature]

(STATE WHETHER DIRECTOR OR SECRETARY)



DEPARTMENT OF ENVIRONMENT
GOVERNMENT BUILDINGS, SUVA, FIJI
P.O BOX 2109

31st July 2014

IN REPLY PLEASE QUOTE

EP 5/1/1-A

PH: 3311699

The General Manager,
Aurum Exploration (Fiji) Ltd.,
Savusavu,
Fiji.

Dear Sir,

Your Ref: REVIEW OF THE PROPOSED EXTENSION OF THE BAUXITE MINING
TOWARDS NAWAILEVU NORTH, BUA BY AURUM EXPLORATION (FIJI) LTD.

Based on the application assessment and discussions with relevant government agencies, it is hereby approved that all conditions of approval imposed to the Environment Impact Assessment [EIA] issued on the 28th June 2010, Construction Environment Management Plan [CEMP] and Operational Environment Management Plan [OEMP] issued to Aurum Mining on the mining site under Mataqali Naicobo shall be applied to the proposed mining extension site under Mataqali Naita at Nawailevu North.

Attached are the conditions of approval for ease of reference. A special condition involves the inclusion of a Mataqali Naita representative in the monitoring committee.

We look forward to your cooperation however, should you require further clarifications do not hesitate to contact Senimili Nakora on 8818015, Lote Rusaqoli and Aminiasi Qareqare on 3311699.

Yours faithfully

Eleni Tokadua (Ms.)

DIRECTOR OF ENVIRONMENT

Commissioner, Northern Division
Director, Mineral Resources
Manager, EIA, Northern
Regional Office
P.O. Box 1111, Suva
Fiji

1. That the subdivision on LOTS 1 & 2 B243 (PART OF) LEKUTU, BUA is approved for the following purposes and to be noted clearly on the Survey Plans:
 - Lot 1 & 3 – Agriculture
 - Lot 2 – Noxious Industry (Mine Site)
 - Lot 4 – Access Road (20.00m wide)
 - Lot 5 – Access Road (12.00m wide)
 - Lot 6 – River Bank Reserve (9.0m wide)
 2. That land hooked to proposed Lot 2, lying east of proposed Lot 4: Access Road (20.0m wide) having an area of 1.541 hectare and 7372square metre and part of land hooked to proposed Lot 3, lying west of proposed Lot 5 and having an area of 1.3926 hectares respectively are to be designated as Lot 7: Arbour Reserve which shall be planted with appropriate vegetation in consultation with the Conservator of Forests.
 3. That the method of drainage, waste water and refuse disposal be to the satisfaction of the Bua Rural Local Authority.
 4. That the method of night soil disposal be by septic tank system constructed to the satisfaction of the Bua Rural Local Authority.
 5. That no building be erected without the prior consent of the Director of Town and Country Planning and the approval of the Bua Rural Local Authority.
 6. That no other use be allowed other than approved or consented to by Director of Town and Country Planning.
 7. That the land shall be surveyed in accordance to the approved Scheme layout and no building application of other structural works be allowed until the Survey Plan is approved by the Surveyor General.
 8. That provision shall be made for adequate and wholesome water to the subdivision to the satisfaction of the Bua Rural Local Authority.
 9. That the following building line restriction shall be imposed:
 - i. 18.0m along the Wainikoro-Dama Road.
 - ii. 18.0m along the proposed 20.0m Road
 - iii. 9.0m along the 12.0m wide Road.
 10. That the Wainikoro-Dama Road be access denial and a 0.2m wide access denial strip be surveyed as separate lot and shown on the Survey Plan.
 11. That the 12.0m wide road (Reflected as Lot 4 on the proposed scheme) shall be widened to 20.0m throughout and maintained by the developer. This shall be noted on the Survey Plan.
 12. That the 20.0m wide Access (Lot 4) shall be properly truncated at the junction of the Wainikoro-Dama Road. Construction shall be carried out in consultation with Fiji Roads Authority
 13. That the Developer be responsible for the naming of all proposed streets, roads within the subdivision and after obtaining the Director of Lands approval in accordance with the procedure for naming of streets/roads, erect street road signs at locations to be determined by Fiji Roads Authority. These signs should be in place before taking over for future maintenance and these names be shown on the Survey Plan before plans can be release for approval.
 14. That provision of drainage shall be provided for the subject site and the method of drainage shall be practical that the site is drained in a manner that the surface or sullage water does not run onto another property except into a natural water course or approved outlet.
 15. That the 9.0m River Bank Reserve shall be imposed along the Nawailevu River and Nadamanu River and surveyed of as a separate lot.
 16. That a detailed Environment Management Plan (EMP) be prepared in close consultation with the Department of Environment. The Terms of Reference (TOR) shall include the Social Impact Assessment study to be carried out for the Mataqali Naicobo of Nawailevu village and Mataqali Naia of Votua village. A copy of the approved EMP shall be submitted to the Director of Town and Country Planning for consideration and file records.
- at each phase of the development. This shall be plainly replicated in both the construction and operational phase and reflected in the EMP under the Mitigation Measures.
18. That the engineering plans for the excavation of the bauxite ore together with Environment Management Plan approved by the Department of Environment be submitted for approval. These shall consist of nine (9) sets of plans with appropriate forms of which five (5) shall be submitted initially for consultation purposes and shall include clear locality plans, drainage, catchments plan etc. The developer shall submit one set of plans to the Water Authority of Fiji.
 19. That all existing and proposed drains be formed and constructed to the satisfaction of Bua Rural Local Authority and easement shown on the Survey Plan and registered.
 20. That all existing buildings and structures on the site shall be shown on the Survey Plan and that any encroaching structures on the site shall be demolished partly or fully to provide for the required setbacks and building line restrictions as per Schedule B of the Town Planning Act General Provisions. This shall be shown on the Survey Plan before it is cleared for approval.
 21. That the Surveyor Consultant/Developer to submit certificates from the Bua Rural Local Authority, Fiji Roads Authority (FRA), Water Authority of Fiji (WAF), Director of Environment (DoE), Central Board of Health (CBH), I Taukei Land Trust Board (ITLTB) and National Fire Authority confirming to us that the subdivision is complete, and all conditions of approval have been complied with before we can release Survey Plans for approval.
 22. That the consent of the Landlord (ITLTB) and Director of Mineral Resources to be obtained and endorsed on the survey plan prior to its clearance.
 23. That this approval is valid for two (2) years only.

STATE LEASE DIAGRAM

(DESIGNATED LAND)

LU 3/1/7/2.....

SCALE - 1:5,972

DESCRIPTION - LOT 3

PLAN - SO6786

SHEET REFERENCE - A24/3

DISTRICT - LEKUTU

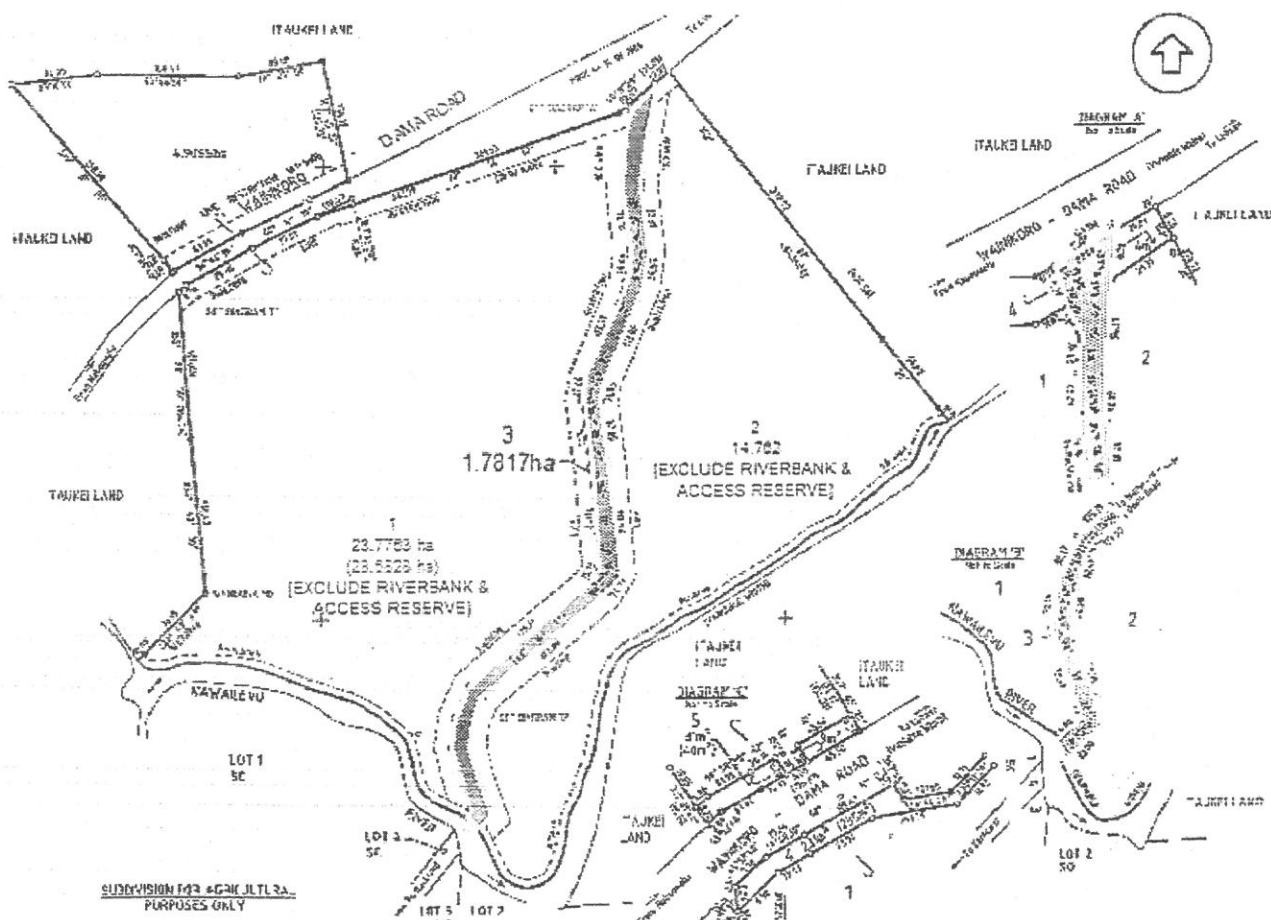
PROVINCE - BUA

ISLAND - VANUA LEVU

CERTIFIED TRUE COPY

SENIOR TECHNICAL OFFICER (GIS)

DATE - 2/8/14



RF

Handwritten signature: *[Signature]*

We, Aurum Exploration (Fiji) Limited a limited liability company incorporated in Fiji having its registered office at Copra Shed Marina, Savusavu, Fiji do hereby accept this lease.

DATED this 29th day of September 2014.

The common seal of Aurum Exploration (Fiji) Limited was hereunto affixed in our presence and we certify that we are the proper officers by whom and in whose presence the said Seal is to be affixed to documents executed by the said Company



.....
Director

.....
Director/ Secretary

.....
Witnessed by:

Artika Prasad
Barrister & Solicitor
Commissioner for Courts
SUVA, FIJI

Signed by the Director of Lands for and on behalf of the lessor:-

.....
Director of Lands

.....
Witnessed by:

Kanta Prasad
A Senior Lands officer

No. Registered at m
To
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Registrar of Titles

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Registrar of Titles

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Registrar of Titles

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[Handwritten initials]

MEMORANDUM OF LEASE

STAMP DUTY \$2011-2504/2 LU 3/1/2
 Date Stamped: 9/7/2011
 Duty Paid \$715.00 SPECIAL LEASE
 Premium \$648.20 Commission of Stamp Duties Mining & Camp Site
 Original \$ 66.00
 Duplicate \$ 1.00
\$715.20

Paid vide RR265169

of 24/2/2011

[Signature]
 for Director of Lands

DESIGNATED LAND

THE DIRECTOR OF LANDS
 [hereinafter referred to as the lessor]
 on behalf of the TRUSTEES MATAQALI
 NORO of Fiji hereby leases to
 AURUM EXPLORATION [FIJI]
 LIMITED, a limited liability company having
 its registered office; Private mail Bag, SAVUSAVU.
 [hereinafter referred to as the lessee]

UNDER THE LAND USE DECREE 36/2010

All that piece of Land being

18261
 LEASE NO.....
 FOR TITLES OFFICE USE ONLY

FEES

Registration Fee \$ 2.45

Drawing Fee \$ 200.00

Plan Fee \$ 50.00

Survey Fee \$2,000.00

Total \$2,252.45

Revenue Receipt No. RR265169

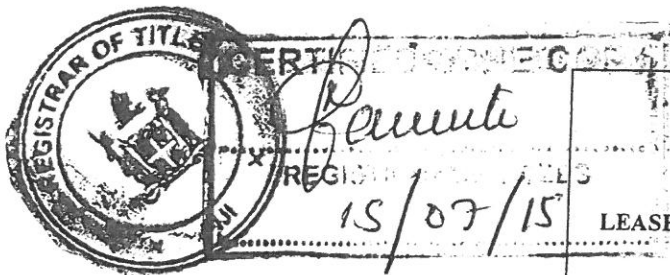
Date: 24/2/2011

Initials

[Signature]

Name of Land	Province	District or Town	Area	Lot No.	Plan No. (d)
Nawailevu [Part of]	Bua	Navakasiga	7.8868ha	2	SO 6268

the boundaries of which are more particularly delineated on the plan hereon to be held by the said AURUM EXPLORATION [FIJI] LIMITED for the Term and at the Rent payable to the Director of Lands and subject to the terms and conditions set out in Annexures A and B.



LEASE NO.....

18261

REGISTERED

09 MAR 2011

at 11:30 am

[Signature]
 Registrar of Titles

ANNEXURE A
REFERENCE SCHEDULE AND SPECIAL CONDITIONS

This is Annexure A to lease between the Director of Lands (*lessor*) and **Aurum Exploration [Fiji] Limited** (*lessee*).

1. Reference Schedule

In this lease, the following items as defined as follows:

<i>Item 1</i>	Term	Twenty [20] years , commencing upon the Commencement Date.
<i>Item 2</i>	Commencement Date	01st day of February, 2011
<i>Item 3</i>	Rent:	
	(a) Premium:	[\$32,410-00] Thirty two thousand, four hundred and ten dollars payable in full on or before the Commencement Date.
	(b) Base Rent:	[\$1,080-00] One thousand and eighty dollars per annum , payable bi-annually in advance in equal instalments.
<i>Item 4</i>	Rent Review	Upon every fifth anniversary of the Commencement Date, the Base Rent must be reviewed to fair market rent in accordance with Regulation 8 of the Land Use Regulations 2011.
<i>Item 5</i>	Outgoings	
	(a) Statutory:	All rates, taxes, charges, duties, and impositions assessed with respect to the land, the lessee's use of the land, or the lessee by the State or any lawful authority or statutory body.
	(b) Operating Expenses:	All insurance premiums payable by the lessor with respect to the land.
<i>Item 6</i>	Permitted Use	Access to Camp and Mining Sites
<i>Item 7</i>	Default Notice Periods	<i>1st Default Notice Period:</i> [14] fourteen days commencing upon the date the notice under clause 13(c) is given. <i>2nd Default Notice Period:</i> [7] seven days commencing upon the date the notice under clause 13(d) is given.

2. Special Conditions

Notwithstanding any provision of Annexure B, the following special conditions apply:

1. Definitions

In these special conditions:

"Fair Share Payment" means the greater of the following amounts per annum:

- (i) \$30,000.00; and
- (ii) the amount determined by multiplying the fair market price per tonne of bauxite in Nawailevu as at the Mining Start Date by 750.

"Local Land Owning Units" means the Yavusa, Mataqali, and Tokatoka as the case may be who own the land.

"Mining Act" means the Mining Act [Cap 146] and any associated regulations issued, as amended from time to time.

"Mining Lease" has the same meaning as that term is defined in the Mine Excavation Site Lease.

"Mining Start Date" has the same meaning as that term is defined in the Mine Excavation Site Lease.

"Transaction Documents" means:

- (i) the quarry and stockpile site lease between the lessor and the lessee ;
- (ii) the mine excavation site lease between the lessor and the lessee (*Mine Excavation Site Lease*); and
- (iii) the foreshore lease between the lessor and the lessee,

entered into on or about the date of this lease and any Mining Lease granted to the lessee with respect to any land the subject of the leases described in paragraphs (i)-(iii).

2. Fair Share

- (a) The lessee must pay the lessor the Fair Share Payment annually in advance and without demand for the period of 2 years commencing upon the Mining Start Date.
- (b) *In the event that the parties dispute the relevant the fair market price per tonne of bauxite in Nawailevu, then either party may refer to the dispute to the Minister for Lands for appointment of an independent valuer to determine the fair market price as at the Mining Start Date as follows:*
 - (i) the parties make written submissions to the valuer;
 - (ii) the valuer must act as an expert and not an arbitrator;
 - (iii) the determination of the valuer will binding upon the parties; and
 - (iv) the parties must bear the costs of the determination equally.

3. Use of local employees, services

Where practicable, the lessee must use reasonable endeavours to source its unskilled and skilled employees and source contractors and service providers (for example, trucking, business transportation, meals to workers) from members of, and businesses owned by, the Local Land Owning Units.

4. Local Land Uses

The lessee must grant the members of the Local Land Owning Units supervised and free-of-charge access to their any part of the land not used for mining for the purposes of cutting firewood, farming, grazing and any other activity concerning the members' livelihood.

5. Minimise Disruption

The lessor must use reasonable endeavours to ensure that the members of the Local Land Owning Units (and their representatives) do not disrupt, delay or stop any mining or rehabilitation activity undertaken by the lessee.

6. Protection of Local Land Owning Units

The lessee must ensure that:

- (a) the local culture and tradition shall be observed and respected by the lessee and its staff;
- (b) mataqali boundary marks (mounds and pegs) if removed or destroyed in the course of the mining operation are to be re-instated in accordance with law and Surveyors Regulation; and
- (c) (in consultation with the members of the Local Land Owning Units) any burial grounds identified within the demised land and which may be affected by the use or operations of the lessee (or anyone under the lessee's control) are relocated at the lessee's own costs to a suitable location approved by the Director of Environment.

7. Financial Reporting

The lessee to provide a detailed report of the true financial projections of income and expenditure of the full mining operations on the date of this lease and thereafter as and when required by the lessor.

8. Approved Mining Plan

The lessee must:

- (a) provide a mining plan approved by the Minister for Mineral Resources and must comply at all times with such approved plan; and
- (b) comply with the directions from time to time of the Director of Mines with respect to the conduct of the lessee's mining operations.

9. Environmental Protection

The lessee must:

- (a) provide a detailed report to address the rehabilitation and restoration of the land and environment to the satisfaction of the Director of Mines;
- (b) provide an approved environment impact assessment (EIA) report approved by the Director of Environment; and
- (c) pay compensation for damaged crops and trees and the quantum of compensation will be calculated in accordance with the Forestry and Agriculture Department Schedule of rates.

10. OH&S

On the Commencement Date and every year thereafter, the lessee must submit an occupational health and safety management plan with respect to its use of the land for approval by the Director of Lands. The lessee must ensure that it and its employees, agents and contractors comply with the current approved occupational health and safety management plan.

11. Interdependency

The parties agree that:

- (a) a default under any of the Transaction Documents by the lessee will be deemed to be a default by the lessee under this lease;
- (b) where any Transaction Document is validly terminated by the lessor on account of the default of the lessee under that Transaction Document, the lessor may terminate this lease and will be entitled to contractual damages as if this lease was terminated due to the default of the lessee; and
- (c) the rights of the parties under this lease are cumulative and in addition to their respective rights under the other Transaction Documents.

12. Mining Lease

In the event that the Mining Lease is not executed by the Director of Mines within 45 days after the date of the Mining Excavation Site Lease, then the lessee may terminate this lease by written notice to the lessor given at any time prior to the date the Director of Mines executes the Mining Lease. In the event the lease is terminated under this special condition, the lessor must refund any premium or base rent actually received from the lessee, but otherwise such termination will be without prejudice to the accrued rights of the parties.

13. Costs

The lessee must pay to, or as directed by, the lessor on or before the Commencement Date the following:

- (a) survey fees with respect to the lease in the amount of \$2,000.00;

- (b) lease preparation costs of \$1066.00;
- (c) any stamp duty assessed with respect to this lease; and
- (d) any VAT assessed with respect to the lease.

ANNEXURE B GENERAL CONDITIONS

This is Annexure B to lease between the Director of Lands (*lessor*) and Aurum Exploration [Fiji] Limited (*lessee*).

1. Land

- (a) The lessor grants and the lessee accepts a lease of the land for the term and at the rent and on the terms and conditions of this lease.
- (b) The grant of the lease is subject to the following reservation:
 - (i) the lessor reserves all precious metals, coals and minerals of every description including crude oil upon, in or under the land with full liberty at all times to search, dig for and carry away such metals, coals and minerals of every description including crude oil and for that purpose to enter upon the said land or any part thereof.

2. Rent

- (a) The lessee must pay the rent in cleared funds when due and without demand.
- (b) The lessor may from time to time specify the manner in which the Rent must be paid, including any requirement that rent be paid by electronic funds transfer to an account nominated by the lessor.
- (c) The rent will be adjusted and reviewed as the case may be in the manner specified in the Reference Schedule.

3. Outgoings

- (a) The lessor may from time to time provide the lessee with a statement detailing the outgoings. The statement may include actual or estimated amounts, however where an estimated amount is included the lessor must promptly reconcile such estimated amounts as against the actual amounts incurred and include the adjustment in the following statement of outgoings.
- (b) The lessee must pay the amount specified in the statement within 14 days of receipt in cleared funds.

4. Assignment and Sub-letting

- (a) This lease is a protected lease under the provisions of Section 12 (1) of the Land Use Decree 36/2010.
- (b) The lessee must not alienate or deal with its estate or interest in the lease of any part thereof, whether by sale, transfer or sublease or any other manner whatsoever, nor to mortgage, charge or pledge the same, without the written consent of the Director of Land first had and obtained, nor except at the suit or with the written consent of the Director of Land shall any such lease be dealt with by any court of law or under the process of any court of law, nor, without such consent as aforesaid, shall the Registrar of Titles register any caveat affecting such lease.

(c) For the purposes of this clause,

(i) where the lessee is a company and there is either:

(A) a change in the beneficial ownership of the lessee;

(B) a change in the majority shareholding of the lessee; or

(C) a change in the person or persons in ultimate control of the lessee, or

(ii) where the lessee makes a declaration of trust with respect to the lease,

then such occurrence will be deemed to constitute a transfer of the lease requiring the prior written consent of the Director of Land.

(d) Paragraph (c)(i) will not apply where:

(i) the change occurs solely by virtue of a change in ownership of any shares listed on an official list of a stock exchange; or

(ii) where the lessee is a foreign investor within the meaning of the Foreign Investment Act and the requirements of that Act are complied with respect to the change.

(e) The lessor may disregard and treat as null and void any purported dealing with the lease in contravention of this clause.

(f) As a condition of granting consent, the lessor may require the lessee to repay any fitout contributions, lease incentives or costs provided or incurred by the lessor under the lease in the immediately preceding ten years. This paragraph will not apply to transfers by way of administration and natural love and affection to the spouse and children of the lessee.

(g) Any consent under this lease may be given in writing by any officer or officers, either solely or jointly, authorised on behalf of the lessor. Any consent given under the lease will lapse if not acted upon within ninety (90) days after the consent is given.

5. Permitted Use

(a) The Lessee must:

(i) use and must continue to use the land for the Permitted Use; and

(ii) not use the land for any purpose other than the Permitted Use.

(b) Where the Permitted Use includes a use specified in the first column of Schedule 1, then the provisions of the second column of Schedule 1 will apply.

(c) The Lessee must not subdivide the land without the prior written consent of the lessor obtained and then only in accordance with a plan of subdivision approved by the lessor in writing.

(d) The Lessee shall not obstruct in any way the free passage of any person over the public thoroughfare intersecting or adjoining the demised land and shall if required by the Lessor of the Divisional Surveyor so to do forthwith remove any crop or other obstruction placed by him on such public thoroughfare in contravention of this condition. Should any question arise as to whether any path intersecting or adjoining the demised land is a public

thoroughfare it shall be referred to the Director of Land whose decision shall be final and conclusive.

6. Repairs and Maintenance

The lessee must at its cost:

- (a) keep the land and any improvements in good repair and condition, including the carrying out of any structural repairs;
- (b) carry out such drainage works as may be required to the satisfaction of the lessor; and
- (c) keep clean and open and maintain in good condition all drains ditches, water-courses and drainage and sewage systems in upon or intersecting the demised land to the satisfaction of the Lessor.

7. Access

The lessor or any authorised person or persons may at any time without let or hindrance:

- (a) enter upon the land to construct, place, or maintain, posts, pipes, cables or wires and drains of any nature whatsoever above or below the ground anywhere within the land; and
- (b) enter upon such drainage reserve for the purpose of carrying out any drainage works or repairs whatsoever; and
- (c) any rights exercised under this clause will not constitute re-entry or forfeiture of the lease.

8. Protection of assets

- (a) The lessee must not erect or permit to be erected any structure of any nature whatsoever over or upon any portion or portions of the land:
 - (i) where posts, pipes and cables or wires have been placed and where drains of any nature whatsoever have been dug; or
 - (ii) shown on the plan hereon as drainage reserve and coloured blue,and the lessee must not do any act or thing that will or may:
 - (iii) damage any post, pipe, cable, wire or drain or impede the flow of water along any drain constructed within the land; or
 - (iv) damage or impede the flow of water along any drain that has been or may be constructed or excavated along such drainage reserve.
- (b) The lessee must not remove or dispose of by sale or otherwise any forest produce growing upon the land without the written consent of the lessor first had and obtained and subject to such conditions as to the payment of royalty or otherwise prescribed by the Forest Regulations as the lessor may direct;
- (c) The lessee must keep open and maintain in good condition to the satisfaction of the lessor all drains, ditches and water courses upon or intersecting the demised land.

9. Boundary marks to be protected by lessee

The lessee must in all respects at its cost:

- (i) have boundaries of which have been surveyed and marked on the ground;
 - (ii) maintain and protect such boundary marks from loss or damage; and
 - (iii) maintain such marks and the boundary lines reasonably clear of bushes, weeds, vines, or other undergrowth so as to enable such survey marks and boundary lines to be readily found and followed at any time;
- Provided that no boundary mark established by a surveyor shall be moved, replaced or otherwise interfered with by any person not being a registered surveyor other than by re-piling fallen stones or earth around such mark.

10. Insurance

The lessor may effect prudent policies of insurance with respect to:

- (a) public liability (including personal injury and property damage);
- (b) building replacement insurance; and
- (c) industrial special risks,

and may require the lessee to reimburse the lessor a fair proportion of any premiums paid by the lessor or the State. The lessee must not do anything which may vitiate or cancel the lessor's insurance policies.

11. Indemnity

The lessee releases and indemnifies the lessor, the State, the Trustees, native land owners (and any of their respective agents, contractors, officers and employees) from any loss, damage, liability or claims with respect to the use or occupation of the land by the lessee (or anyone under the lessee's control) with respect to the lease.

12. Warranty

Each party warrants to the other that it has legal capacity to enter into this lease and to grant and perform the rights and obligations contained in the lease. The lessee warrants that, to the best of the lessee's knowledge, any information provided with respect to this lease under Regulation 9(1) is true and correct as at the Commencement Date and the lessee indemnifies the lessor from any loss, damage, liability or claims caused by the breach of this warranty.

13. Default

- (a) In the event of any breach by the lessee of any covenant or condition in this lease the Lessor may issue a notice to the lessee specifying the default and requiring that the default be remedied within the 1st Default Notice Period.
- (b) Where the default is not capable of remedy, the lessee will be deemed to have remedied the default upon payment to the lessor in cleared funds reasonable compensation for the default as determined by the lessor (acting reasonably).

- (c) Where the default remains unremedied after the expiry of the 1st Default Notice Period specified in the notice of default, the lessor may give the lessee a further notice stating that if the default remains unremedied within the 2nd Default Notice Period, then the lessor may terminate the lease.
- (d) Where the default remains unremedied after the expiry of the 2nd Default Notice Period, the lessor may automatically terminate the lease by notice to the lessee, such notice must be given at any time within 6 months after the expiry of the 2nd Default Notice Period.
- (e) Upon termination of the lease, the lessor may enter upon and take possession of the land, without limiting any other rights of the lessor.
- (f) Notwithstanding any other provision of this lease,
 - (i) if the lessee becomes (or if one or more of the lessees become) bankrupt or insolvent then the lessor may terminate this lease immediately, and such termination will be without prejudice to any other rights of the lessor; and
 - (ii) where the lessee has defaulted under the lease, the lessor may (but without being obliged to do so) take such steps as are reasonably necessary or convenient to remedy the breach or limit or contain the likely loss or damage arising out of or in connection with the breach and may recover its reasonable costs and expenses thereby incurred from the lessee as a liquidated debt and any actions taken by the lessor will be deemed not to constitute re-entry or forfeiture of the lease.

14. Improvements

- (a) The lessee may remove any building or improvement erected by the lessee on the land at any time within 3 months after the expiration of the lease at its own expense provided that:
 - (i) before the removal of any building the lessee shall have paid all rent owing by him and shall have performed or satisfied all his other obligations to the lessor in respect of the demised land;
 - (ii) in the removal of any building the lessee shall not do any avoidable damage to any other buildings or other part of the demised land;
 - (iii) immediately after the removal of any building the lessee shall make good all damage occasioned to any other building or other part of the demised land;
 - (iv) the lessee shall not remove any building without giving one month's previous notice in writing to the lessor of his intention to remove it;
 - (v) at any time before the expiration of notice of removal, the lessor, by notice in writing given by him to the lessee, may elect to purchase any building comprised in the notice of removal, and any building thus elected to be purchased shall be left by the lessee and shall become the property of the lessor, who shall pay to the lessee the fair value;
 - (vi) if the lessee applies for a renewal of the lease the provisions of paragraph (i) shall be deemed to cease to apply as from the date of the application of the lessee for a renewal of the lease; and
 - (vii) that in the event of any breach by the lessee of any covenant or condition in the lease the lessor may enter upon and take possession of the land without limiting any other rights of the lessor.

15. Compliance with Laws

The lessee must comply at all times with all laws applicable to the land, the lease and the lessee.

16. Governing Law

This lease will be governed by the laws of Fiji.

17. Definitions and Interpretation

In this lease:

- (a) references to a person include an individual, firm or a body, corporate or unincorporate;
- (b) terms which are defined in the Land Use Decree 2010 or the Land Use Regulations 2011 have the same meaning in this lease;
- (c) the word "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary;
- (d) clause headings and subclause headings shall not be used in the interpretation of the lease;
- (e) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender and other parts of speech and grammatical forms of a word or phrase defined in the Lease have a corresponding meaning;
- (f) unless otherwise provided, all references to monetary amounts in the lease are in Fiji dollars;
- (g) if any provision of the lease is deemed to be or becomes void, voidable or unenforceable, it shall be read down or, if incapable of being read down, severed and the remaining provisions of the lease shall continue to have full force and effect;
- (h) a reference to a decree, statute, regulation, proclamation, ordinance or by-law includes all decrees, statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a decree or statute includes all regulations, proclamations, ordinances and by-laws issued under that decree or statute;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of the lease will be construed adversely to a party solely on the ground that the party was responsible for the preparation of the Lease or that provision; and
- (k) a covenant or agreement on the part of 2 or more persons binds them jointly and severally.

Signed by the Director of Lands for and on behalf of the Lessor:

[Signature]

Witnessed by:

[Signature]

ALEXANDER MILNER

Signed by the Lessee

[Signature]

Witnessed by:

[Signature]

Ahu Sinzhiban



[Signature]

ISIRELI DAGAGA

COMPANY SECRETARY

Correct for the purposes of the Land Transfer Act (Cap. 131)

[Signature]

Solicitor

AJENDRA A PRATAP
Commissioner for Oaths
Barrister and Solicitor
High Court of Fiji

Date

[Handwritten mark]

FILE : LU 3 /1 /2

SCALE 1 : 4000

SHEET REF A/243,E041NLC

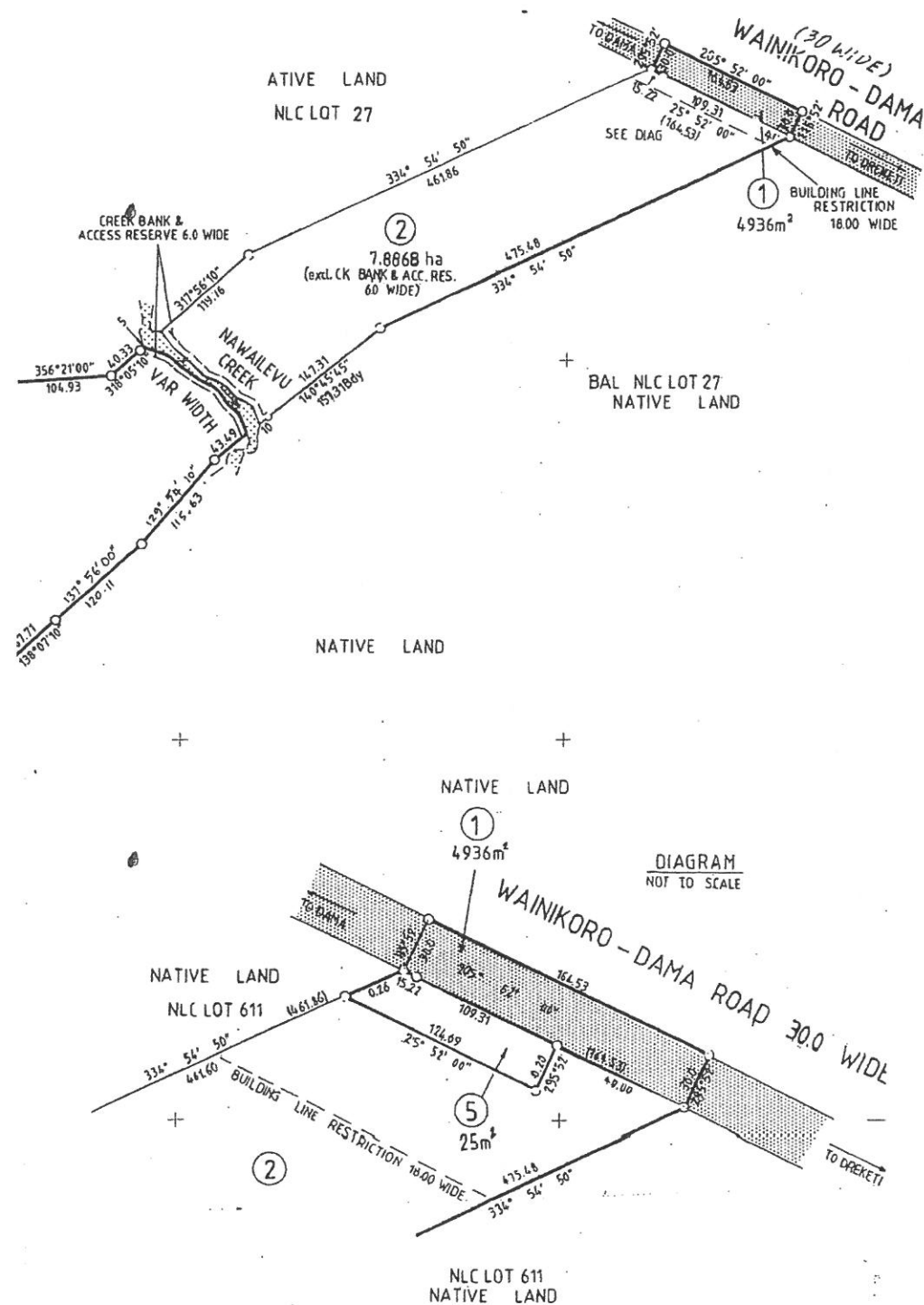
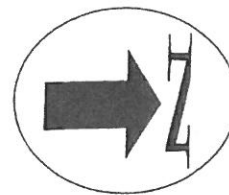
NAVAKASIGA

PROVINCE **BUA**

DESIGNATED NATIVE LAND

ED TRUE COPY

SENIOR TECHNICAL OFFICER (GIS)



No. Registered atm.

To

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Registrar of Titles

No. Registeredat.....m.

To

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Registrar of Titles

No. Registeredatm.

To

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Registrar of Titles

MEMORANDUM OF LEASE

S2011-2504/5Ca

Date Stamped: 9/3/2011

LU 3/1/3

Only Paid \$1.00

Copy Original Stamped With \$2,234.00

Commissioner of Stamp Duties

STAMP DUTY

SPECIAL LEASE

Quarry and Stockpile Site

Premium \$2,000.00

Original \$ 234.00

Duplicate \$ 1.00

\$2,235.00

DESIGNATED LAND

THE DIRECTOR OF LANDS

[hereinafter referred to as the lessor]

on behalf of the **TRUSTEES MATAQALI**

NALUTU of Fiji hereby leases to

AURUM EXPLORATION [FIJI]

LIMITED, a limited liability company

having its registered office; Private Mail Bag,

SAVUSAVU.

[hereinafter referred to as the lessee]

UNDER THE LAND USE DECREE 36/2010

All that piece of Land being

Name of Land	Province	District or Town	Area	Lot No.	Plan No. (d)
Natuvu [Part of]	Bua	Navakasiga	26.1412ha	1	SO 6300

the boundaries of which are more particularly delineated on the plan hereon to be held by the said **AURUM EXPLORATION [FIJI] LIMITED** for the Term and at the Rent payable to the Director of Lands and subject to the terms and conditions set out in Annexures A and B.

LEASE NO. **18260**
FOR TITLES OFFICE USE ONLY

FEES

Registration Fee \$ 2.45
Date Stamped: 9/3/2011
Only Paid \$2,234.00
Commissioner of Stamp Duties

Plan Fee \$ 50.00

Survey Fee \$16,000.00

Total \$16,252.45

Revenue Receipt No. RR265169

Date: 24/2/2011

Initials



LEASE NO. **18260**

REGISTERED **08 MAR 2011** at **11:30am**

Registrar of Titles

ANNEXURE A
REFERENCE SCHEDULE AND SPECIAL CONDITIONS

This is Annexure A to lease between the Director of Lands (*lessor*) and Aurum Exploration [Fiji] Limited (*lessee*).

1. Reference Schedule

In this lease, the following items as defined as follows:

<i>Item 1</i>	Term	Twenty [20] years , commencing upon the Commencement Date.
<i>Item 2</i>	Commencement Date	01st day of February, 2011
<i>Item 3</i>	Rent:	
	(a) Premium:	[\$100,000-00] One hundred thousand dollars payable in full on or before the Commencement Date.
	(b) Base Rent:	[\$3,864-00] Three thousand, eight hundred and sixty four dollars per annum , payable bi-annually i advance in equal instalments.
<i>Item 4</i>	Rent Review	Upon every fifth anniversary of the Commencement Date, the Base Rent must be reviewed to fair market rent in accordance with Regulation 8 of the Land Use Regulations 2011.
<i>Item 5</i>	Outgoings	
	(a) Statutory:	All rates, taxes, charges, duties, and impositions assessed with respect to the land, the lessee's use of the land, or the lessee by the State or any lawful authority or statutory body.
	(b) Operating Expenses:	All insurance premiums payable by the lessor with respect to the land.
<i>Item 6</i>	Permitted Use	Quarry and Associated Stockpile
<i>Item 7</i>	Default Notice Periods	1st Default Notice Period: Fourteen [14] days commencing upon the date the notice under clause 13(c) is given.
		2nd Default Notice Period: Seven [7] commencing upon the date the notice under clause 13(d) is given.

Signature

2. Special Conditions

Notwithstanding any provision of Annexure B, the following special conditions apply:

1. Definitions

In these special conditions:

"Fair Share Payment" means the greater of the following amounts per annum:

- (i) \$70,000.00; and
- (ii) the amount determined by multiplying the fair market price per tonne of bauxite in Nawailevu as at the Mining Start Date by 1750.

"Local Land Owning Units" means the Yavusa, Mataqali, and Tokatoka as the case may be who own the land.

"Mining Act" means the Mining Act [Cap 146] and any associated regulations issued, as amended from time to time.

"Mining Lease" has the same meaning as that term is defined in the Mine Excavation Site Lease.

"Mining Start Date" has the same meaning as that term is defined in the Mine Excavation Site Lease.

"Rock Royalty" means a royalty of \$2.60 per cubic metre of rock extracted from the land;

"Soil Royalty" means a royalty of \$3.00 per cubic metre of soil extracted from the land;

"Transaction Documents" means:

- (i) the mine excavation site lease entered into between the lessor and the lessee (*Mine Excavation Site Lease*);
- (ii) the access to bauxite mining and camp site lease entered into between the lessor and the lessee; and
- (iii) the foreshore lease entered into between the lessor and the lessee,

entered into on or about the date of this lease and any Mining Lease granted to the lessee with respect to any land the subject of the leases described in paragraphs (i)-(iii).

2. Right to mine

The lessee may mine and remove rocks, soil or materials from the land for the purposes of extracting rock and soil, provided that the lessee may not mine, remove rocks, soil or materials or carry out any activity for which a mining lease, licence or permit is required under the Mining Act.

3. Fair Share

- (a) The lessee must pay the lessor the Fair Share Payment annually in advance and without demand for the period of 2 years commencing upon the Mining Start Date.

- (b) In the event that the parties dispute the relevant the fair market price per tonne of bauxite in Nawailevu, then either party may refer to the dispute to the Minister for Lands for appointment of an independent valuer to determine the fair market price as at the Mining Start Date as follows:

- (i) the parties make written submissions to the valuer;
- (ii) the valuer must act as an expert and not an arbitrator;
- (iii) the determination of the valuer will binding upon the parties; and
- (iv) the parties must bear the costs of the determination equally.

4. Rock & Soil Royalty

The lessee must:

- (a) carry out an accurate survey and put in place proper monitoring system to ascertain the volume of bauxite, soil and rock extraction from the land;
- (b) permit the lessor (and its employees and agents) sufficient access to the land and to the lessee's records to review and audit the volume of bauxite, soil and rock extraction from the land; and
- (c) (in addition to any royalties payable under the Mining Act) pay the Rock Royalty and the Soil Royalty to the lessor monthly in arrears without demand.

5. Use of local employees, services

Where practicable, the lessee must use reasonable endeavours to source its unskilled and skilled employees and source contractors and service providers (for example, trucking, business transportation, meals to workers) from members of, and businesses owned by, the Local Land Owning Units.

6. Local Land Uses

The lessee must grant the members of the Local Land Owning Units supervised and free-of-charge access to their any part of the land not used for mining for the purposes of cutting firewood, farming, grazing and any other activity concerning the members' livelihood.

7. Minimise Disruption

The lessor must use reasonable endeavours to ensure that the members of the Local Land Owning Units (and their representatives) do not disrupt, delay or stop any mining or rehabilitation activity undertaken by the lessee.

8. Protection of Local Land Owning Units

The lessee must ensure that:

- (a) the local culture and tradition shall be observed and respected by the lessee and its staff;
- (b) mataqali boundary marks (mounds and pegs) if removed or destroyed in the course of the mining operation are to be re-instated in accordance with law and Surveyors Regulation; and

- (c) (in consultation with the members of the Local Land Owning Units) any burial grounds identified within the demised land and which may be affected by the use or operations of the lessee (or anyone under the lessee's control) are relocated at the lessee's own costs to a suitable location approved by the Director of Environment.

9. Financial Reporting

The lessee to provide a detailed report of the true financial projections of income and expenditure of the full mining operations on the date of this lease and thereafter as and when required by the lessor.

10. Approved Mining Plan

The lessee must:

- (a) provide a mining plan approved by the Minister for Mineral Resources and must comply at all times with such approved plan; and
- (b) comply with the directions from time to time of the Director of Mines with respect to the conduct of the lessee's mining operations (including limits upon stockpile heights and dust pollution suppression measures).

11. Environmental Protection

The lessee must:

- (a) provide a detailed report to address the rehabilitation and restoration of the land and environment to the satisfaction of the Director of Mines;
- (b) provide an approved environment impact assessment (EIA) report approved by the Director of Environment; and
- (c) pay compensation for damaged crops and trees and the quantum of compensation will be calculated in accordance with the Forestry and Agriculture Department Schedule of rates.

12. OH&S

On the Commencement Date and every year thereafter, the lessee must submit an occupational health and safety management plan with respect to its use of the land for approval by the Director of Lands. The lessee must ensure that it and its employees, agents and contractors comply with the current approved occupational health and safety management plan.

13. Interdependency

The parties agree that:

- (a) a default under any of the Transaction Documents by the lessee will be deemed to be a default by the lessee under this lease;
- (b) where any Transaction Document is validly terminated by the lessor on account of the default of the lessee under that Transaction Document, the lessor may terminate this lease and will be entitled to contractual damages as if this lease was terminated due to the default of the lessee; and

- (c) the rights of the parties under this lease are cumulative and in addition to their respective rights under the other Transaction Documents.

14. Mining Lease

In the event that the Mining Lease is not executed by the Director of Mines within 45 days after the date of the Mining Excavation Site Lease, then the lessee may terminate this lease by written notice to the lessor given at any time prior to the date the Director of Mines executes the Mining Lease. In the event the lease is terminated under this special condition, the lessor must refund any premium or base rent actually received from the lessee, but otherwise such termination will be without prejudice to the accrued rights of the parties.

15. Costs

The lessee must pay to, or as directed by, the lessor on or before the Commencement Date the following:

- (a) survey fees with respect to the lease in the amount of \$16,000.00;
- (b) lease preparation costs of \$1066.00;
- (c) any stamp duty assessed with respect to this lease; and
- (d) any VAT assessed with respect to the lease.

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ANNEXURE B GENERAL CONDITIONS

This is Annexure B to lease between the Director of Lands (*lessor*) and Aurum Exploration [Fiji] Limited (*lessee*).

1. Land

- (a) The lessor grants and the lessee accepts a lease of the land for the term and at the rent and on the terms and conditions of this lease.
- (b) The grant of the lease is subject to the following reservation:
 - (i) the lessor reserves all precious metals, coals and minerals of every description including crude oil upon, in or under the land with full liberty at all times to search, dig for and carry away such metals, coals and minerals of every description including crude oil and for that purpose to enter upon the said land or any part thereof.


2. Rent

- (a) The lessee must pay the rent in cleared funds when due and without demand.
- (b) The lessor may from time to time specify the manner in which the Rent must be paid, including any requirement that rent be paid by electronic funds transfer to an account nominated by the lessor.
- (c) The rent will be adjusted and reviewed as the case may be in the manner specified in the Reference Schedule.

3. Outgoings


- (a) The lessor may from time to time provide the lessee with a statement detailing the outgoings. The statement may include actual or estimated amounts, however where an estimated amount is included the lessor must promptly reconcile such estimated amounts as against the actual amounts incurred and include the adjustment in the following statement of outgoings.
- (b) The lessee must pay the amount specified in the statement within 14 days of receipt in cleared funds.

4. Assignment and Sub-letting

- (a) This lease is a protected lease under the provisions of Section 12 (1) of the Land Use Decree 36/2010.
 - (b) The lessee must not alienate or deal with its estate or interest in the lease of any part thereof, whether by sale, transfer or sublease or any other manner whatsoever, nor to mortgage, charge or pledge the same, without the written consent of the Director of Land first had and obtained, nor except at the suit or with the written consent of the Director of Land shall any such lease be dealt with by any court of law or under the process of any court of law, nor, without such consent as aforesaid, shall the Registrar of Titles register any caveat affecting such lease.
 - (c) For the purposes of this clause,
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- (i) where the lessee is a company and there is either:
 - (A) a change in the beneficial ownership of the lessee;
 - (B) a change in the majority shareholding of the lessee; or
 - (C) a change in the person or persons in ultimate control of the lessee, or
 - (ii) where the lessee makes a declaration of trust with respect to the lease,
then such occurrence will be deemed to constitute a transfer of the lease requiring the prior written consent of the Director of Land.
- (d) Paragraph (c)(i) will not apply where:
- (i) the change occurs solely by virtue of a change in ownership of any shares listed on an official list of a stock exchange; or
 - (ii) where the lessee is a foreign investor within the meaning of the Foreign Investment Act and the requirements of that Act are complied with respect to the change.
- (e) The lessor may disregard and treat as null and void any purported dealing with the lease in contravention of this clause.
- (f) As a condition of granting consent, the lessor may require the lessee to repay any fitout contributions, lease incentives or costs provided or incurred by the lessor under the lease in the immediately preceding ten years. This paragraph will not apply to transfers by way of administration and natural love and affection to the spouse and children of the lessee.
- (g) Any consent under this lease may be given in writing by any officer or officers, either solely or jointly, authorised on behalf of the lessor. Any consent given under the lease will lapse if not acted upon within ninety (90) days after the consent is given.

5. Permitted Use

- (a) The Lessee must:
 - (i) use and must continue to use the land for the Permitted Use; and
 - (ii) not use the land for any purpose other than the Permitted Use.
 - (b) Where the Permitted Use includes a use specified in the first column of Schedule 1, then the provisions of the second column of Schedule 1 will apply.
 - (c) The Lessee must not subdivide the land without the prior written consent of the lessor obtained and then only in accordance with a plan of subdivision approved by the lessor in writing.
 - (d) The Lessee shall not obstruct in any way the free passage of any person over the public thoroughfare intersecting or adjoining the demised land and shall if required by the Lessor of the Divisional Surveyor so to do forthwith remove any crop or other obstruction placed by him on such public thoroughfare in contravention of this condition. Should any question arise as to whether any path intersecting or adjoining the demised land is a public thoroughfare it shall be referred to the Director of Land whose decision shall be final and conclusive.
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Repairs and Maintenance

The lessee must at its cost:

- (a) keep the land and any improvements in good repair and condition, including the carrying out of any structural repairs;
- (b) carry out such drainage works as may be required to the satisfaction of the lessor; and
- (c) keep clean and open and maintain in good condition all drains ditches, water-courses and drainage and sewage systems in upon or intersecting the demised land to the satisfaction of the Lessor.

Access

The lessor or any authorised person or persons may at any time without let or hindrance:

- (a) enter upon the land to construct, place, or maintain, posts, pipes, cables or wires and drains of any nature whatsoever above or below the ground anywhere within the land; and
- (b) enter upon such drainage reserve for the purpose of carrying out any drainage works or repairs whatsoever; and
- (c) any rights exercised under this clause will not constitute re-entry or forfeiture of the lease.

8. Protection of assets

- (a) The lessee must not erect or permit to be erected any structure of any nature whatsoever over or upon any portion or portions of the land:
 - (i) where posts, pipes and cables or wires have been placed and where drains of any nature whatsoever have been dug; or
 - (ii) shown on the plan hereon as drainage reserve and coloured blue,and the lessee must not do any act or thing that will or may:
 - (iii) damage any post, pipe, cable, wire or drain or impede the flow of water along any drain constructed within the land; or
 - (iv) damage or impede the flow of water along any drain that has been or may be constructed or excavated along such drainage reserve.
- (b) The lessee must not remove or dispose of by sale or otherwise any forest produce growing upon the land without the written consent of the lessor first had and obtained and subject to such conditions as to the payment of royalty or otherwise prescribed by the Forest Regulations as the lessor may direct;
- (c) The lessee must keep open and maintain in good condition to the satisfaction of the lessor all drains, ditches and water courses upon or intersecting the demised land.

9. Boundary marks to be protected by lessee

The lessee must in all respects at its cost:

- (i) have boundaries of which have been surveyed and marked on the ground;

- (ii) maintain and protect such boundary marks from loss or damage; and
- (iii) maintain such marks and the boundary lines reasonably clear of bushes, weeds, vines, or other undergrowth so as to enable such survey marks and boundary lines to be readily found and followed at any time:

Provided that no boundary mark established by a surveyor shall be moved, replaced or otherwise interfered with by any person not being a registered surveyor other than by re-piling fallen stones or earth around such mark.

10. Insurance

The lessor may effect prudent policies of insurance with respect to:

- (a) public liability (including personal injury and property damage);
- (b) building replacement insurance; and
- (c) industrial special risks,

and may require the lessee to reimburse the lessor a fair proportion of any premiums paid by the lessor or the State. The lessee must not do anything which may vitiate or cancel the lessor's insurance policies.

11. Indemnity

The lessee releases and indemnifies the lessor, the State, the Trustees, native land owners (and any of their respective agents, contractors, officers and employees) from any loss, damage, liability or claims with respect to the use or occupation of the land by the lessee (or anyone under the lessee's control) with respect to the lease.

12. Warranty

Each party warrants to the other that it has legal capacity to enter into this lease and to grant and perform the rights and obligations contained in the lease. The lessee warrants that, to the best of the lessee's knowledge, any information provided with respect to this lease under Regulation 9(1) is true and correct as at the Commencement Date and the lessee indemnifies the lessor from any loss, damage, liability or claims caused by the breach of this warranty.

13. Default

- (a) In the event of any breach by the lessee of any covenant or condition in this lease the Lessor may issue a notice to the lessee specifying the default and requiring that the default be remedied within the 1st Default Notice Period.
- (b) Where the default is not capable of remedy, the lessee will be deemed to have remedied the default upon payment to the lessor in cleared funds reasonable compensation for the default as determined by the lessor (acting reasonably).
- (c) Where the default remains unremedied after the expiry of the 1st Default Notice Period specified in the notice of default, the lessor may give the lessee a further notice stating that if the default remains unremedied within the 2nd Default Notice Period, then the lessor may terminate the lease.

- (d) Where the default remains unremedied after the expiry of the 2nd Default Notice Period, the lessor may automatically terminate the lease by notice to the lessee, such notice must be given at any time within 6 months after the expiry of the 2nd Default Notice Period.
- (e) Upon termination of the lease, the lessor may enter upon and take possession of the land, without limiting any other rights of the lessor.
- (f) Notwithstanding any other provision of this lease,
 - (i) if the lessee becomes (or if one or more of the lessees become) bankrupt or insolvent then the lessor may terminate this lease immediately, and such termination will be without prejudice to any other rights of the lessor; and
 - (ii) where the lessee has defaulted under the lease, the lessor may (but without being obliged to do so) take such steps as are reasonably necessary or convenient to remedy the breach or limit or contain the likely loss or damage arising out of or in connection with the breach and may recover its reasonable costs and expenses thereby incurred from the lessee as a liquidated debt and any actions taken by the lessor will be deemed not to constitute re-entry or forfeiture of the lease.

14. Improvements

- (a) The lessee may remove any building or improvement erected by the lessee on the land at any time within 3 months after the expiration of the lease at its own expense provided that:
 - (i) before the removal of any building the lessee shall have paid all rent owing by him and shall have performed or satisfied all his other obligations to the lessor in respect of the demised land;
 - (ii) in the removal of any building the lessee shall not do any avoidable damage to any other buildings or other part of the demised land;
 - (iii) immediately after the removal of any building the lessee shall make good all damage occasioned to any other building or other part of the demised land;
 - (iv) the lessee shall not remove any building without giving one month's previous notice in writing to the lessor of his intention to remove it;
 - (v) at any time before the expiration of notice of removal, the lessor, by notice in writing given by him to the lessee, may elect to purchase any building comprised in the notice of removal, and any building thus elected to be purchased shall be left by the lessee and shall become the property of the lessor, who shall pay to the lessee the fair value;
 - (vi) if the lessee applies for a renewal of the lease the provisions of paragraph (i) shall be deemed to cease to apply as from the date of the application of the lessee for a renewal of the lease; and
 - (vii) that in the event of any breach by the lessee of any covenant or condition in the lease the lessor may enter upon and take possession of the land without limiting any other rights of the lessor.

15. Compliance with Laws

The lessee must comply at all times with all laws applicable to the land, the lease and the lessee.

Governing Law

This lease will be governed by the laws of Fiji.

Definitions and Interpretation

In this lease:

- (a) references to a person include an individual, firm or a body, corporate or unincorporate;
- (b) terms which are defined in the Land Use Decree 2010 or the Land Use Regulations 2011 have the same meaning in this lease;
- (c) the word "includes" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary;
- (d) clause headings and subclause headings shall not be used in the interpretation of the lease;
- (e) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context. Words importing a gender include every gender and other parts of speech and grammatical forms of a word or phrase defined in the Lease have a corresponding meaning;
- (f) unless otherwise provided, all references to monetary amounts in the lease are in Fiji dollars;
- (g) if any provision of the lease is deemed to be or becomes void, voidable or unenforceable, it shall be read down or, if incapable of being read down, severed and the remaining provisions of the lease shall continue to have full force and effect;
- (h) a reference to a decree, statute, regulation, proclamation, ordinance or by-law includes all decrees, statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a decree or statute includes all regulations, proclamations, ordinances and by-laws issued under that decree or statute;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) no provision of the lease will be construed adversely to a party solely on the ground that the party was responsible for the preparation of the Lease or that provision; and
- (k) a covenant or agreement on the part of 2 or more persons binds them jointly and severally.

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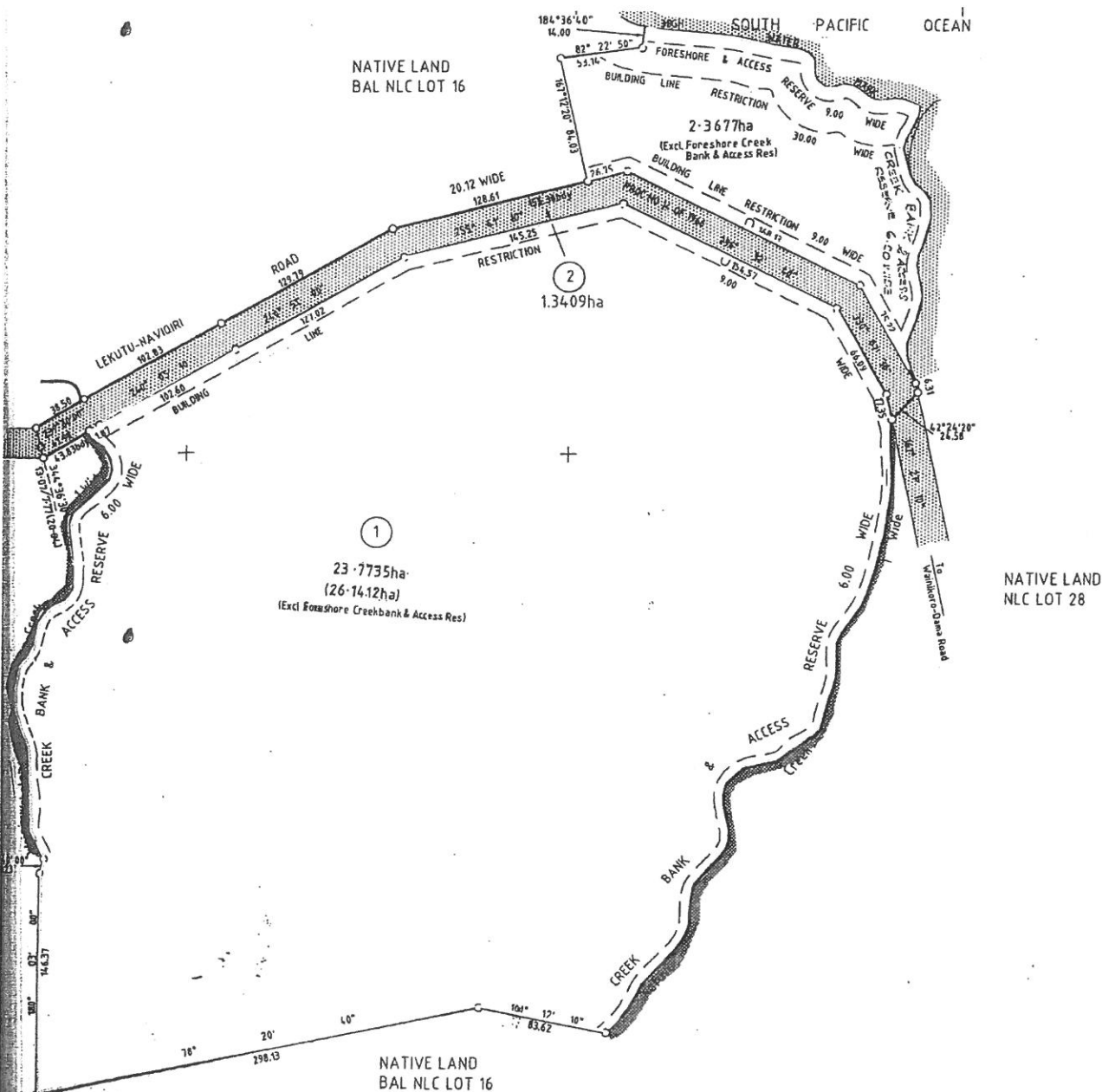
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DESIGNATED NATIVE PLAN

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03/2011

SENIOR TECHNICAL OFFICER (GIS)



Schedule 1
SPECIFIC LAND USE CONDITIONS

Column 1

Column 2

Quarrying purposes

Land must be used solely for the removal of sand, common stone, lime or other similar material and for the housing of the machinery and implements necessary therefore and the labourers employed thereon and the royalty to be paid for such material and the manner of payment and the nature of the improvements required to be effected shall be set out in every such lease in detail.

SPH

Signed by the Director of Lands for and on behalf of the Lessor:

Dagica Pitau

Witnessed by:

A. H. Q.

ALEXANDER MILNER



Dagaga
ISIRELI DAGAGA
COMPANY SECRETARY

Signed by the Lessee

SAB

Witnessed by:

A. Siwzhiban

Ahu Siwzhiban

Correct for the purposes of the Land Transfer Act (Cap. 131)

Ajendra A. Pratap
Solicitor

AJENDRA A PRATAP
Commissioner for Oaths
Barrister and Solicitor
High Court of Fiji
Date

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Appendix 4

Summary of Written Submissions