



REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINES AND ENERGY
 P.O. BOX 10-9024
 1000 MONROVIA 10
 LIBERIA, WEST AFRICA



License Number: A15001

CLASS A MINING LICENSE

This **CLASS A MINING LICENSE** (this "Mining License") is dated September 6, 2011 and made by and between the **MINISTER OF LANDS, MINES & ENERGY OF THE REPUBLIC OF LIBERIA** (hereinafter referred to as the "MINISTER"), and **CHINA-UNION (HONG KONG) MINING CO., LTD**, a corporation organized under the laws of Hong Kong (hereinafter referred to as the "CONCESSIONAIRE").

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Mineral Development Agreement, dated January 19, 2009 among the Government of the Republic of Liberia, China-Union (Hong Kong) Mining Co., Ltd and China-Union Investment (Liberia) Bong Mines Co., Ltd. (the "MDA") or, if not defined therein, in the Minerals and Mining Law of the Republic of Liberia, Part I, Title 23 of the Liberian Code of Laws Revised, as approved on April 3, 2000 and published by the Ministry of Foreign Affairs on September 20, 2000 (the "Minerals and Mining Law") or the Regulations.

WITNESSETH:

WHEREAS, the Government and the **CONCESSIONAIRE** have concluded, and the **CONCESSIONAIRE** is materially in compliance with, the **MDA**, which has become effective, permitting Mining in the Proposed Production Area pursuant to its terms and condictions;

WHEREAS, the **CONCESSIONAIRE** has satisfied the requirement set forth in Section 6.5(b) of the Minerals and Mining by completing an exploration program and submitting to the **MINISTER** a detailed map and descriptive statement, attached hereto as Annex 1, setting forth the boundaries of the Proposed Production Area and the size of the Deposit from which the Minerals are to be mined;

WHEREAS, the **CONCESSIONAIRE** application for a Mining License conforms in all material respects to the requirements of the Minerals and Mining Law and the Regulations, including:

- i. Name, address, nationality and legal status of the applicant;
- ii. The Minerals expected to be mined;
- iii. The boundary of the area subject to the Mining License;
- iv. The metes and bounds (angles and distances) of the area; and

- v. An accurate survey of not less than 1:10,000 accompanied by a map showing the geographic position of the claim with reference to adjacent natural landmarks.

WHEREAS, the **CONCESSIONAIRE** is an Eligible Applicant for a Class A Mining License pursuant to the provisions of section 4.2 of the Minerals and Mining Law, and has demonstrated the technical and financial capability required in respect of a Class A Mining License;

WHEREAS, the **MINISTER** is satisfied that the **CONCESSIONAIRE** possesses the technical skills and experience, and the financial resources, necessary to permit it to carry out mining operations in keeping with the requirements of a Class A Mining License and of the Minerals and Mining Law;

WHEREAS, the Republic of Liberia is the owner of all Iron Ore Deposits within the territory of Liberia, and all the rights related to the Development of all such Iron Ore Deposits including, but not limited to, the Iron Ore Deposits within the Concession Area previously granted to previous Concessionaire of over the Bong Range; and

WHEREAS, in accordance with the Minerals and Mining Law, the **MINISTER** has the power to grant the **CONCESSIONAIRE** a Class A Mining License as contemplated in the **MDA**, and to permit the

CONCESSIONAIRE to conduct the Operations as contemplated by the MDA;

NOW, THEREFORE, for and in consideration of the premises, the mutual promises made by and between the Government and the CONCESSIONAIRE (hereinafter referred to as "the Parties"), and the terms and conditions herein contained, it is hereby irrevocably provided as follows:

Grant of Class A License

1. The MINISTER hereby grants to the CONCESSIONAIRE a Mining License for the Proposed Production Area, together with all related rights and privileges to allow the CONCESSIONAIRE to conduct the Operations contemplated by the MDA. This grant is subject to the provisions of the MDA.

Term of License

2. The initial term of the Mining License shall commence on the date first above written and shall be for twenty-five (25) years unless earlier terminated pursuant to any Section 5.1 (g), 5.1(h) or 24 of the MDA. The CONCESSIONAIRE shall have the right to renew the Mining License, for consecutive additional terms not to exceed twenty-five (25) years each subject to the provisions of the MDA.

Discovery of Other Minerals

3. Pursuant to Section 6.7(c) of the Minerals and Mining Law, should the CONCESSIONAIRE, in the course of Development or Mining discover that the Mine or Deposits contain another Mineral not the subject of the Mining License, the CONCESSIONAIRE shall have the right to Mine such additional Mineral. The Mineral in question shall not be mined until an application has been submitted to and approved by the MINISTER. A separate application shall be filed in respect of each Mineral which has been discovered and is to be Mined, for permission to have its Mining License amended to cover the new Mineral. The approval of the MINISTER shall be granted promptly.

Additional Exploration within the Proposed Production Area

4. If the CONCESSIONAIRE wishes to carry out additional Exploration within the Proposed Production Area it may do so provided that the work is covered by an exploration work program that has been approved under the terms of the Exploration Regulations. No budget or annual expenditure requirements apply to such work, but all other provisions of the Exploration Regulations as to the manner of carrying out such work and as to reporting the results of such work remain application.

Surface Rights

5. Without prejudice to the generality of the rights provided in the MDA, the grant of the Mining License shall, pursuant to the provisions of Section 6.7(d) of the Minerals and Mining Law, carry the following surface rights:
 - (i) Erection of habitations, office buildings, mill buildings, engine houses, storehouses;
 - (ii) Building of dumps, ditches for drainage, roads within the surface boundaries of the Proposed Production Area;
 - (iii) Making trenches and open cuts, constructed for and necessary Mining Operation;
 - (iv) Cutting of timber only insofar as it is necessary to clear for buildings and such works as are mentioned in (i) to (iii) above and to use in construction of the mining site; and
 - (v) Use of water and other resources necessary for the execution of the work.

Rights to Dispose of Minerals

6. The CONCESSIONAIRE shall have the right to freely dispose of within Liberia all Minerals extracted under the terms of this Mining License, and may export all such Minerals in their original or changed form subject to the specific provisions of the MDA.

Reports by the CONCESSIONAIRE

7. The CONCESSIONAIRE shall submit to the MINISTER not later than September 30 of each year a report giving statistical and descriptive information concerning the operation of the Mining License. The

ANNEX I to the MINING LICENSE

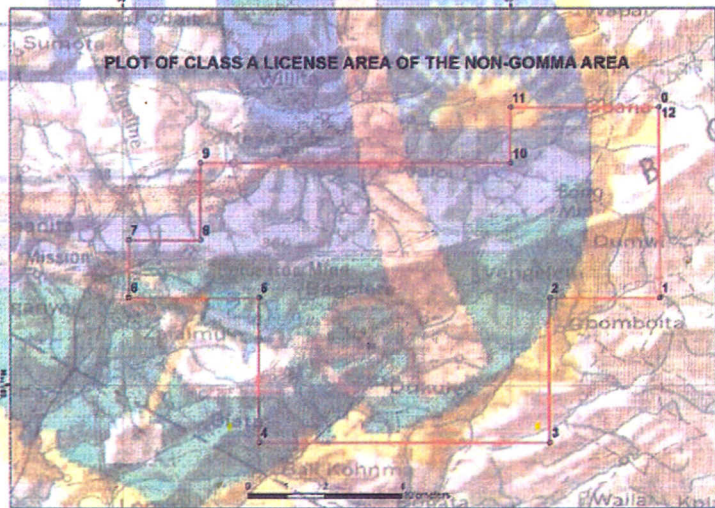
DEFINITION OF THE PROPOSED PRODUCTION AREA

The Proposed Production Area encloses approximately 78.47 sq km.

The boundary of the Proposed Production Area is shown on attached map.

The area is defined by the UTM coordinates of SPATIAL REFERENCE (*WGS84 UTM Grid Zone 29N*) set forth below:

Vertices	Easting	Northing
0	363820	757270
1	363840	752300
2	361000	752300
3	361000	748500
4	353500	748500
5	353500	752300
6	350150	752300
7	350150	753800
8	352000	753800
9	352000	755820
10	360000	755820
11	360000	757270
12	363820	757270



(See map on following page)

CONCESSIONAIRE shall demonstrate, upon request, to the reasonable satisfaction of the MINISTER that the provisions of this Law and the Regulations are being complied with. Such reports, if requested, shall be submitted not later than December 15 of each year;


Inspection of Mining Premises and Books

8. The MINISTER shall have the right to order an inspection at any time of the Proposed

Made in Monrovia, this 13 day of September,

2011.

MINISTER OF LANDS, MINES & ENERGY



Dr. Roosevelt G. Jayjay



ACKNOWLEDGED AND AGREED:

By: CEO: CHINA-UNION (HONG KONG) MINING CO., LTD



Mr. Xia Jin Rui

Production Area and, upon reasonable notice, of the books and records maintained at the principal office of the CONCESSIONAIRE in Liberia;

9. The MINISTER may order topographical maps and underground maps to be filed by the CONCESSIONAIRE at any time, but not more often than once every six months. All such maps must be sworn by a competent surveyor, who in his affidavit shall set forth a statement of his training and ability.

Attached: