

SUBSCRIPTION AGREEMENT

between

NAMF II (MAURITIUS) LIMITED

NAMF II SOUTH AFRICA PARTNERSHIP

and

STRATEX GOLD AG

and

CONCEPT CAPITAL MANAGEMENT LIMITED

and

TEMBO GOLD CORP.

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1. Definitions and interpretation

1.1 In this Agreement, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings:

1.1.1 **"Action Plan"** the plan, a copy of which is attached hereto as Schedule "C", developed and agreed by Tembo Gold and the Pool Members, setting out specific social and environmental measures to be undertaken by Tembo Gold and the Subsidiaries to enable their respective Operations to comply with the IFC Performance Standards, as such may be amended or supplemented from time to time in accordance with the terms hereof;

1.1.2 **"Agreed Form"** means, in relation to any document, such document in the form initialled (or otherwise designated as an Agreed Form document in writing) for the purpose of identification by or on behalf of the Parties prior to the Signature Date, including any such document in a form annexed to this Agreement, or such other form and substance as the Parties may at any time agree in writing;

1.1.3 **"Agreement"** this Agreement including the schedules hereto;

1.1.4 **"Annual Monitoring Report"** annual monitoring report substantially in the form attached as Schedule "A" hereto, setting out the specific social, environmental and developmental impact reporting requirements

of Tembo Gold in respect of its and the Subsidiaries' Operations, as such may be amended or supplemented from time to time;

1.1.5 **"Applicable S&E Law"**

all applicable statutes, laws, ordinances, rules and regulations, including but not limited to any licence, permit or other Authorisation, imposing liability or setting standards of conduct concerning any environmental, social, labour, health and safety or security risks of the type contemplated by the IFC Performance Standards;

1.1.6 **"Authorisation"**

any consent, registration, filing, agreement, notarisation, certificate, consents, licence, approval, permit, authority or exemption from, by or with any Authority, whether given by express action or deemed given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents;

1.1.7 **"Authority"**

any government or governmental, administrative, fiscal or judicial authority, body, court, department, commission, tribunal, registry or any state owned, controlled or legislatively constituted authority in Canada, Tanzania or other applicable jurisdiction which principally performs public, governmental or regulatory functions, and includes the TSXV and any other applicable securities exchange;

1.1.8 **"Board Change Date"**

the date on which the majority of directors on the board of Tembo Gold is constituted by

directors nominated for appointment by one or more Pool Members;

- 1.1.9 **"Business Day"** any day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario, Canada are not open for business;
- 1.1.10 **"CAD" or "CDN\$"** Canadian dollar, the lawful currency and legal tender from time to time in Canada
- 1.1.11 **"Change of Control Transaction"** any transaction or other event pursuant to which (i) any person or combination of persons acting in concert acquires in aggregate more than 50% of the issued and outstanding Common Shares, whether pursuant to take-over bid, merger, arrangement, amalgamation, reverse take-over or other business combination or otherwise; (ii) any person or combination of persons acting in concert other than Tembo Gold or an affiliate of Tembo Gold acquires, directly or indirectly, a 50% or greater participating interest in substantially all of the assets of Tembo Gold; or (iii) any person or combination of persons acting in concert other than Tembo Gold or an affiliate of Tembo Gold acquires, directly or indirectly, any combination of outstanding Common Shares and a direct or indirect interest in substantially all of the assets of Tembo Gold which results in such person or combination of persons holding a 50% or greater effective interest in substantially all of the assets of Tembo Gold;

- 1.1.12 **"Closing Date"** the date 5 Business Days after the Fulfillment Date or such later date permitted by the TSXV and agreed to by the Parties in writing;
- 1.1.13 **"Closing Time"** has the meaning as further described in clause 5.1;
- 1.1.14 **"Common Shares"** common shares in the capital of Tembo Gold;
- 1.1.15 **"Concept Capital"** Concept Capital Management Limited, a Non-Resident Domestic Corporation incorporated in the Marshall Islands, with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960;
- 1.1.16 **"Concurrent Offering"** a Unit offering for a subscription price of up to CDN\$2 000 000.00 to be made to insiders of Tembo Gold and others and implemented concurrently or around the same time as the Subscription but in any event not later than 21 days from the Signature Date or such other date agreed to by NAMF and Stratex in writing, which may result in a subscription by such parties of up to a maximum of 20,000,000 Units;
- 1.1.17 **"Condition(s) Precedent"** the conditions precedent in clause 3.1 to which the Subscription is subject;
- 1.1.18 **"Debt Instrument"** means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

- 1.1.19 **"Disclosure Letter"** a letter (if any) provided by Tembo Gold to the Pool Members prior to the time when this Agreement is signed by the Pool Members, in which (among others) matters which qualify and are excluded from the warranties, representations and/or undertakings in clause 8 and Schedule "H" and/or the interim covenants in clause 9.1.1 are set out;
- 1.1.20 **"Effective Surviving Provisions"** clauses 1, 7, 8 and 9 (insofar as such clauses apply on Signature Date and/or prior to the Closing Date, if applicable), and clauses 14, 15 and 17 shall take effect on the Signature Date and survive the purchase and sale of the Subscription Units and shall continue in full force and effect for the benefit of the Parties following the Closing Date;
- 1.1.21 **"Encumbrance"** any mortgage, charge (fixed or floating), pledge, cession in security or out and out, right of retention, lien, hypothecation, guarantee, trust, right of set-off or other third party right or interest (legal or equitable) including a lease and any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect;
- 1.1.22 **"Event of Default"** in relation to any agreement, means any matter, act, event or circumstance (i) described as such in the agreement, or (ii) which constitutes a breach of such agreement, or (iii) which, with or without the

giving of notice or the exercise of any right, results in a Party accelerating or having the right to accelerate the performance of any obligation or which gives rise to any adverse change in the amount or nature or timing of any obligation to be performed thereunder;

1.1.23 **"Excluded Issuance"**

any issuance by Tembo Gold of Common Shares or other voting or equity securities or convertible securities (i) pursuant to this Subscription or the Concurrent Offering, (ii) a stock option plan or any other equity compensation plan, (iii) pursuant to the exercise of options under a stock option plan or other securities issued under any other equity compensation plan, or (iv) pursuant to the exercise of existing warrants or the Warrants to be issued under this Subscription or the Concurrent Offering, as applicable, or the conversion, exercise or exchange of any other existing convertible securities, as has been fully and fairly disclosed to the Pool Members prior to the Signature Date;

1.1.24 **"Financial Statements"**

the audited consolidated annual financial statements of Tembo Gold for the financial year ended 31 December 2012;

1.1.25 **"Financial Year"**

means the accounting year of the Company ending on 31 December;

1.1.26 **"Fulfillment Date"**

the date on which all of the Conditions Precedent have been fulfilled or waived or such other fulfillment date as may be agreed on in writing by the Parties;

- 1.1.27 **"Further Subscription Date"** in relation to NAMF and NAMF South Africa, the date on which it pays its further portion of the Subscription Price referred to in clause 4.3.3 or clause 4.3.4 as the case may be;
- 1.1.28 **"HSEC Policy"** the document on Tembo Gold's health, safety, environment and community development policies entitled "Health, Safety, Environment and Community (HSEC) Policy" to be developed by Tembo Gold and approved by the Pool Members, acting reasonably, pursuant to the Action Plan;
- 1.1.29 **"Human Resources Policy"** the document on Tembo Gold's human resources policy (that also covers Tembo Gold's contractors and sub-contractors) to be developed by Tembo Gold and approved by the Pool Members, acting reasonably, pursuant to the Action Plan;
- 1.1.30 **"IFC Performance Standards "** the International Finance Corporation's Performance Standards on Social & Environmental Sustainability;
- 1.1.31 **"Law"** all legislation, statutes, regulations, directives, orders, notices, promulgations and other decrees of any Authority, which have force of law or which it would be an offence not to obey, and the common law, and (whether or not having the force of law) any published practice or concession or official directive, ruling, request, notice, guideline by any government entity and the listings requirements or other directives of a securities

exchange, in each such case as amended, replaced, re-enacted, restated or re-interpreted from time to time as applicable to each of the Parties hereto;

1.1.32 **"Material Adverse Effect "**

an effect or outcome which is materially adverse to:

1.1.32.1

Tembo Gold's and its Subsidiaries' (taken as a whole) assets, properties, business prospects, Operations or financial condition, when measured in relation to the position of Tembo Gold as at 31 December 2012; or

1.1.32.2

the ability of Tembo Gold to perform or comply with any of its material obligations under, or to consummate the transactions contemplated by, this Agreement; or

1.1.32.3

any of the rights of the Pool Group under or in connection with this Agreement;

except that any change, effect, event or occurrence resulting from or relating to (i) the announcement of the execution of this Agreement or the transactions contemplated hereby, (ii) any decrease in the market price or any decline in the trading volume of Tembo Gold's securities not otherwise attributable to another change, effect, event or occurrence which would constitute a Material Adverse Effect under this definition, or (iii) any action or inaction by Tembo Gold or the Subsidiaries to

which the Pool Members have, as of the time thereof, previously consented in writing;

- 1.1.33 **"Material Agreement"** any material Debt Instrument, indenture, contract, commitment, agreement (written or oral), instrument, lease or other document, to which the Company is a party;
- 1.1.34 **"NAMF"** NAMF II (Mauritius) Limited, company number 096166, a private company incorporated in accordance with the laws of Mauritius;
- 1.1.35 **"NAMF South Africa"** NAMF II South Africa Partnership, a South Africa en commandite partnership whose principal place of business is at 37 Peter Place, Bryanston, 2191, South Africa, acting through its General Partner;
- 1.1.36 **"Non-Cash Offering"** a Share Transaction consisting of a distribution or issuance by Tembo Gold of equity securities for property or consideration other than cash or money (for the avoidance of doubt, the issue of equity securities to acquire claims sounding in money or Debt Instruments shall not be a Non Cash Offering);
- 1.1.37 **"Operations"** the operations, activities and facilities of Tembo Gold and the Subsidiaries (including the design, construction, operation, maintenance, management and monitoring thereof, as applicable);
- 1.1.38 **"Other Applicable Securities Laws"** in respect of each and every offer of, and subscription for, the Subscription Units (or any

- component security thereof), the securities legislation having application and the applicable regulations, rules, orders, instruments, notices, directions, rulings and published policy statements of the securities regulatory authorities;
- 1.1.39 **"Parties"** the Pool Members and Tembo Gold; and **"Party"** shall mean either one of them as the context may require;
- 1.1.40 **"Pool Group"** the Pool Members from time to time, as applicable, as a group, who are acting jointly and in concert;
- 1.1.41 **"Pool Members"** Concept Capital, Stratex, NAMF South Africa and NAMF;
- 1.1.42 **"Property Rights"** all material property, options, leases, licenses, concessions, claims or other, direct or indirect, interests in natural resource properties and surface rights for exploration and exploitation, extraction and other mineral property rights in which Tembo Gold or the Subsidiaries holds an interest or right;
- 1.1.43 **"Pro-Rata Distribution"** any transaction in which equity securities are issued as of right to all holders of Common Shares on a pro rata basis;
- 1.1.44 **"Public Disclosure Documents"** collectively, all of the documents which have been filed by or on behalf of the Company prior to the Closing Date with the securities regulators in Canada pursuant to the requirements of the Securities Laws, including

- 1.1.52 **"Stakeholder Engagement Plan"** the document on existing and planned community engagement activities that sets out, *inter alia*, policies and procedures for engagement with all stakeholders (including communities affected by land acquisition or temporary economic displacement, artisanal miners, new migrants, communities directly affected beyond the project footprint of the Operations, NGOs, governmental agencies, interested groups, influential parties, etc.) to be developed by Tembo Gold and approved by the Pool Members, acting reasonably, pursuant to the Action Plan;
- 1.1.53 **"Stratex"** Stratex Gold A.G., a company formed under the laws of Switzerland and having its registered address at Goethestrasse 61 9008 St Gallen Switzerland;
- 1.1.54 **"Subscriber Diluted Ownership Percentage"** as of a specified time, the ownership interest of the relevant Pool Member, expressed as a percentage, being equal to the sum of (A) the number of Common Shares on a non-diluted basis beneficially owned, directly or indirectly, or over which control or direction is exercised, by the Pool Member (excluding Common Shares held by any other Pool Member) and (B) all securities exercisable, convertible or exchangeable into Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the Pool Member (excluding Common Shares held by any other Pool Member and regardless of conditions or restrictions on

exercise, conversion or exchange but including for the avoidance of doubt the Units), divided by the sum of (A) the aggregate number of outstanding Common Shares on a non-diluted basis and (B) all securities exercisable, convertible or exchangeable into Common Shares issued by Tembo Gold (regardless of conditions or restrictions on exercise, conversion or exchange);

1.1.55 **"Subscriber Ownership Percentage"**

as of a specified time, ownership interest of the relevant Pool Member, expressed as a percentage, being equal to the number of Common Shares on a non-diluted basis beneficially owned, directly or indirectly, or over which control or direction is exercised, by the Pool Member (excluding Common Shares held by the other Pool Member) divided by the aggregate number of outstanding Common Shares on a non-diluted basis;

1.1.56 **"Subscription"**

the subscription by each of the Pool Members for, and the issue by Tembo Gold of, the Subscription Units for the Subscription Consideration pursuant to, and on the terms and conditions of, this Agreement;

1.1.57 **"Subscription Consideration"**

the aggregate consideration payable by the Pool Members for the Subscription of the Subscription Units, as contemplated in clause 4.3;

1.1.58 **"Subscription Units"**

62,500,000 Units;

1.1.59	"Subsidiaries"	the subsidiaries of the Company, as set out in Schedule "B", and " Subsidiary " shall be read accordingly;
1.1.60	"Taxes"	means all forms of taxation and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and whether of the Canada or any other jurisdiction; and any penalty, fine, surcharge, interest, charges or costs relating thereto;
1.1.61	"Tembo Gold"	Tembo Gold Corp., a public company incorporated in accordance with the laws of Ontario, with its common shares listed on the TSXV under the symbol "TEM";
1.1.62	"TSXV"	the TSX Venture Exchange;
1.1.63	"Unit"	one Unit Share and one Warrant;
1.1.64	"Unit Share"	one Common Share;
1.1.65	"US Securities Act"	the United States <i>Securities Act</i> of 1933, as amended,
1.1.66	"Voting Pool Agreement"	a voting pool agreement to be concluded by the Pool Members in respect of the Common Shares held by them, or to be held by them in future, in Tembo Gold;
1.1.67	"Warrant"	one common share purchase warrant in Tembo Gold entitling the holder thereof to subscribe for one Common Share at a price of CDN\$0.12 per Common Share at any time

within a period of three years from the Closing Date;

1.1.68 **"Warrant Shares"** the Common Shares which are issuable upon the exercise from time to time of the Warrants.

1.2 In this Agreement:

1.2.1 the clause headings are for the purpose of convenience only and shall not be taken into account in the interpretation of this Agreement;

1.2.2 references to a law or statutory provision include any subordinate legislation made from time to time under that law or provision, and include that law or provision as modified or re-enacted from time to time;

1.2.3 any reference to any document or agreement shall be a reference to that document or agreement as at the Signature Date (or such later date on which such document or agreement is concluded, as applicable), and as novated, amended, re-instated or substituted from time to time thereafter in accordance with its terms and subject to the written approval of the Pool Members;

1.2.4 any reference to a "**person**" or "**Person**" includes any natural, juristic or quasi-juristic person, including without limitation any individual, sole proprietorship, corporation, company, close corporation, firm, partnership, trust, joint venture, fund and an association, syndicate, organisation, or other organised group of persons, whether incorporated or not;

1.2.5 words importing the masculine gender include the feminine and neuter genders and *vice versa*; the singular includes the plural and *vice versa*; and natural persons include artificial persons and *vice versa*;

1.2.6 if a definition imposes substantive rights and obligations on a Party, such rights and obligations shall be given effect to and shall be enforceable, notwithstanding that they are contained in a definition;

1.2.7 where any word is defined within the context of any particular clause in this Agreement, that word, unless it is clear from the clause in question that that

word has limited application only to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that word has not been defined in clause 1.1;

1.2.8 where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day; and

1.2.9 the rule of construction that if general words or terms are used in association with specific words or terms which are a species of a particular genus or class, the meaning of the general words or terms shall be restricted to that same class (ie the *eiusdem generis* rule) shall not apply, and whenever the words "including", "includes" and "include" are used followed by specific examples, such examples shall not be interpreted so as to limit the meaning of any word or term to the same genus or class as the examples given.

1.3 The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement which are expressly provided to operate after any such expiration or termination, or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the relevant provisions themselves do not provide for this.

1.4 Each of the provisions of this Agreement has been negotiated by the Parties and drafted for the benefit of the Parties, and accordingly the rule of construction that the contract shall be interpreted against or to the disadvantage of the Party responsible for the drafting or preparation of the Agreement (ie the *contra proferentem* rule), shall not apply.

2. Introduction

2.1 Tembo Gold is engaged in the acquisition, exploration and development of gold properties in Tanzania via its Subsidiaries.

2.2 Tembo Gold intends to raise additional equity for general corporate purposes, including the financing of its exploration activities by its Subsidiaries, and to that

end Tembo Gold has agreed to issue to the Pool Members and the Pool Members have agreed to acquire the Subscription Units pursuant to the terms and conditions of this Agreement.

2.3 The Subscription forms part of a larger issuance by Tembo Gold of Subscription Units to the Pool Members and Units to others. Following such issuance, the Pool Members will together hold approximately 49.2% of the issued share capital of Tembo Gold on a non-diluted basis. Furthermore, if all of the Warrants forming part of the Subscription Units issued to the Pool Members are exercised it is anticipated that the Pool Members will together hold approximately 59.4% of the total issued share capital of Tembo Gold on a partially-diluted basis. These percentages will ultimately depend on the final number of Units issues to non-Pool Members in the Concurrent Offering and have been calculated on the assumption that the maximum Units are issued to non-Pool Members under the Concurrent Offering.

2.4 The Pool Members intend to contribute their rights under the Unit Shares and the Common Shares issued on the exercise of the Warrants to a voting pool established by the Voting Pool Agreement entered into between the Pool Members. The issuance of the Subscription Units to the Pool Group will result in the creation of a new Control Person (as such term is defined in the Corporate Finance Manual issued by the TSXV) and Tembo Gold shall obtain Shareholder Consents for such issuance, including the issuance of the Common Shares upon due exercise of the Warrants.

3. **Conditions Precedent**

3.1 The rights and obligations of the Parties under this Agreement in respect of the Subscription (other than those contained in the Effective Surviving Provisions, which shall be immediately effective) are all subject to the fulfilment or waiver of the following Conditions Precedent on or before the dates or times specified therefor:

3.1.1 on or before 22 November 2013, or on or before such later date agreed to by the Pool Members in writing, Tembo Gold shall have obtained the Shareholder Consents;

3.1.2 on or before 26 November 2013 or on or before such later date agreed to by the Pool Members in writing, the TSXV issuing its conditional acceptance of the private placement contemplated in this Agreement;

3.1.3 on or before 10 days after the Signature Date, the Pool Members shall have received, completed, executed and returned to Tembo Gold the corporate placee registration form attached hereto as Schedule "D", if any of the Pool Members has not already filed a corporate placee registration form with the TSXV;

3.1.4 on or before the Fulfillment Date ("**MAE Reference Date**"):

3.1.4.1 no acceptance referred to in clause 3.1.2 having been revoked or adversely amended;

3.1.4.2 no matter, fact, event or circumstance (or any number of such matters, facts, events or circumstances collectively) being in existence, having arisen or occurred and continuing, which, in the reasonable opinion of the Pool Group, constitutes or may reasonably give rise to a Material Adverse Effect; and/or

3.1.4.3 no breach or breaches by Tembo Gold of any representation, warranty or undertaking in this Agreement having occurred, and being unremedied, which breach or breaches individually or collectively, in the reasonable opinion of the Pool Group, constitute or may reasonably in future give rise to a Material Adverse Effect,

(each an "**MAE Event**") and in respect of which MAE Event the Pool Group having given Tembo Gold prior written notice thereof on or before the MAE Reference Date.

3.2 The Conditions Precedent in clause 3.1.4 is for the sole benefit of the Pool Members. Such Condition Precedent may, where legally possible, be waived in part or in full in writing by the Pool Group on or prior to the then-applicable date for fulfilment thereof.

- 3.3 The Conditions Precedent in clauses 3.1.1, 3.1.2 and 3.1.3 are for the benefit of all Parties. Each or all of such Conditions Precedent may, where legally possible, be waived in part or in full in writing by all Parties on or prior to the then-applicable date for fulfilment thereof.
- 3.4 Each of the dates for fulfilment of the Conditions Precedent (and any one or more such dates) may from time to time be extended by:
- 3.4.1 the Pool Group, by written notice to Tembo Gold, given on or before the expiry of the then-applicable date for fulfilment thereof; provided that this right of extension shall be limited to a date or dates not later than 6 months after the Signature Date; and
- 3.4.2 otherwise, any other date by agreement between the Parties in writing on or before the expiry of the then-applicable date for fulfilment thereof.
- 3.5 Subject to clause 3.6, if any of the Conditions Precedent fail (and fulfilment thereof is not waived in terms of clause 3.3, as applicable) the terms of this Agreement (save for the Effective Surviving Provisions) shall no longer be enforceable and the Parties shall restore to one another any performance which they may have rendered or received under this Agreement. Neither Party shall have any claim against the other Party under this Agreement as a result of the failure of such Conditions Precedent, except for such claims, if any, as may arise from the provisions of the Effective Surviving Provisions.
- 3.6 Notwithstanding clause 3.5, but without prejudice to any other rights which the Parties may have under this Agreement or in law, if the Subscription Units are issued to the Pool Members, and the Pool Members have paid the Subscription Consideration, (collectively the "**Closing Actions**") this Agreement, and the issuance of the Subscription Units hereunder, shall be unconditional and the Conditions Precedent shall be deemed *pro non scripto* to the extent not timeously fulfilled or waived. For the avoidance of doubt, this clause 3.6 does not obligate any Party to undertake any Closing Action and does not derogate from the Parties' rights validly to assert and rely on a failure of a Condition Precedent prior to the Closing Actions being undertaken or from any of the Parties' rights in respect of any breach of this Agreement, or its provisions.

3.7 Tembo Gold undertakes to the other Parties to take all commercially reasonable steps as may be necessary or reasonably required to procure timeous fulfilment of the Conditions Precedent in clauses 3.1.1 and 3.1.2. The Pool Members undertake to Tembo Gold to take all commercially reasonable steps as may be necessary or reasonably required to procure timeous fulfilment of the Condition Precedent in clause 3.1.3.

3.8 Without derogating from the obligations in clause 3.7, the Parties agree to cooperate and act reasonably and in good faith with each other and their respective advisers with a view to seeking satisfaction of the Conditions Precedent in clauses 3.1.1 to 3.1.4 as soon as reasonably practicable following the Signature Date.

4. **Subscription by the Pool Group**

4.1 **subscription for the Subscription Units**

The Pool Members shall subscribe at the Subscription Consideration for Subscription Units, being in aggregate 62,500,000 Subscription Units.

4.2 **description of the Units**

4.2.1 Each Unit comprises one Unit Share and one Warrant.

4.2.2 Each Warrant will not be listed on the TSXV, however will be transferable in accordance with Other Applicable Securities Laws and will entitle the holder to purchase one Common Share in the capital of Tembo Gold at a price of CAD0.12 per Common Share at any time on or before 4:00 p.m. (Toronto time) on the first Business Day that is three years after the Closing Date.

4.2.3 The terms and conditions which govern the Warrants will be set out in the warrant certificate, a pro forma copy of which is attached hereto as Schedule "E", which among other things includes provisions for the appropriate adjustment in the class, number and price of the Common Shares issuable upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of

Tembo Gold's Common Shares, the payment of stock dividends and the amalgamation of Tembo Gold.

- 4.2.4 The issue of the Warrants will not restrict or prevent Tembo Gold from obtaining any other financing, or from issuing additional securities or rights, during the period within which the Warrants may be exercised.

4.3 **the Subscription Consideration**

The Subscription Consideration shall comprise the following:

- 4.3.1 CDN\$1,000,000 payable in cash by Concept Capital at the Closing Time;
- 4.3.2 CDN\$1,750,000 payable in cash by Stratex at the Closing Time;
- 4.3.3 CDN\$1,941,750 payable in cash by NAMF at the Closing Time and an additional CDN\$776,700 payable in cash on or before 30 December 2013 or such later date as permitted by the TSXV,; and
- 4.3.4 CDN\$558,250 payable in cash by NAMF South Africa at the Closing Time and an additional CDN\$223,300 payable in cash on or before 30 December 2013 or such later date as permitted by the TSXV,

representing a Subscription Consideration of CDN\$0.10 per Subscription Unit.

4.4 **payment of the Subscription Consideration**

- 4.4.1 Subject to NAMF South Africa's rights in clause 4.4.2, the Pool Members shall pay the Subscription Consideration for all of the Subscription Units subscribed for by them pursuant to this Agreement by electronic transfer into the following bank account of Tembo Gold:

Transit No: 06012
A/C No: 101-237-6
SWIFT: ROYCCAT2
A/C Name: Tembo Gold Corp, 1100 Russell St., Thunder Bay, ON Canada, P7B 5N2

Bank Name and Address:
RBC Royal Bank

20 King St W - Concourse Level
Toronto, Ontario
M5H 1C4,

- 4.4.2 The payment of the Subscription Consideration by NAMF South Africa for all of the Subscription Units subscribed for by it pursuant to this Agreement may, at the election of NAMF South Africa, be made by electronic transfer into the following bank account of Tembo Gold held in Tanzania:

A/C No: 0018003392
SWIFT: BARCTZTZ
A/C Name: Tembo Gold (T) Ltd

Bank Name and Address:

Barclay's Bank (T) Ltd
TDFL Building, Ohio St. Branch
PO Box 5137
Dar Es Salaam
United Republic of Tanzania

5. Closing and implementation

- 5.1 At or about 3:00 pm Toronto time on the Closing Date (the "**Closing Time**"), representatives of the Parties shall dial into a teleconference call (the "**Closing Call**") using the teleconference dial-in details to be provided by Tembo Gold for this purpose and at or about 3:00 pm Toronto time on the Further Subscription Date, representatives of the Parties, as applicable, shall dial into a teleconference call using the teleconference dial-in details to be provided by Tembo Gold for this purpose.
- 5.2 Physical certificates evidencing the Subscription Units will be issued in the name of each Pool Member as indicated in this Agreement at the Closing Time or on the Further Subscription Date, as the case may be, against payment of the applicable Subscription Consideration.
- 5.3 At the Closing Time or on the Further Subscription Date, as the case may be, Tembo Gold shall, against payment of the Subscription Consideration in accordance with clause 4.4, issue and deliver to each of the Pool Members (or an

agent nominated by a Pool Member in writing), as applicable, in a form and substance in accordance with the articles of incorporation of Tembo Gold, as applicable:

- 5.3.1 physical share certificates in the name of Concept Capital reflecting it as the registered holder of 10,000,000 Subscription Units following the Closing Time;
- 5.3.2 physical share certificates in the name of Stratex reflecting it as the registered holder of a total of 17,500,000 Subscription Units following the Closing Time
- 5.3.3 physical share certificates in the name of NAMF reflecting it as the registered holder of a total of 19,417,500 Subscription Units following the Closing Time and 7,767,000 Subscription Units following the Further Subscription Date; and
- 5.3.4 physical share certificates in the name of NAMF South Africa reflecting it as the registered holder of 5,582,500 Subscription Units following the Closing Time and 2,233,000 Subscription Units following the Further Subscription Date.
- 5.4 The Unit Shares when issued shall be fully paid and non-assessable and shall rank equally with the existing issued Common Shares.

6. Undertaking and authorization

Each of the Parties undertakes to do all things, perform all acts and take all commercially reasonable steps (or to procure the doing of all things and the performance of all acts) which are within its power and reasonably related to the fulfillment of its obligations under this Agreement and may be necessary or incidental to or helpful in giving effect to the terms of this Agreement.

7. Representations, Warranties and Acknowledgements by the Pool Members - Canadian Securities Law

The Pool Members each provides and agrees to be bound by the representations, warranties and acknowledgements set forth in Schedule "F" as at the Signature Date

and the Closing Date, and for the periods in between those dates (including, for the avoidance of doubt, the Closing Date itself).

8. Warranties and representations by Tembo Gold

- 8.1 Tembo Gold warrants and represents to each of the Pool Members that, save as otherwise permitted by the prior written consent of the Pool Group and save as set out in the Disclosure Letter, as at the Signature Date and the Closing Date, and for the periods in between those dates (including, for the avoidance of doubt, the Closing Date itself), the warranties and representations set out in Schedule "H" are true and accurate in all respects.
- 8.2 Each warranty and each representation given by Tembo Gold and contained in Schedule "H" is deemed to be a representation of fact upon which each of the Pool Members is relying on in entering into this Agreement.
- 8.3 Each warranty shall be a separate warranty and in no way limited or restricted by any reference to or inference from the terms of any other warranty or by any other provision in this Agreement.
- 8.4 The rights and remedies of each Pool Member in respect of any breach of the warranties shall not be affected by the Pool Member failing to exercise or delaying the exercise of any right or remedy, except a specific and duly authorised written waiver or release, and no single or partial exercise of any right or remedy shall preclude any further or other exercise.
- 8.5 To the extent that any warranties qualified by the expressions "*to the best of Tembo Gold's knowledge and belief*" or "*as far as Tembo Gold is aware*" or words to such effect, such expressions shall mean that Tembo Gold has made and warrants that it has made due and careful enquiries into the subject matter of the warranty concerned. Tembo Gold shall be deemed to have knowledge of all facts, matters and circumstances actually known to it and its directors and officers.
- 8.6 Tembo Gold hereby agrees to indemnify and save harmless each of the Pool Members and its directors, officers, employees, affiliates, shareholders and agents (the "**Indemnified Parties**") against all losses, claims, costs, expenses

and damages or liabilities (including, but not limited to, any and all fees, costs and expenses reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) which any of them may suffer or incur and which are caused by or arise from any inaccuracy in, breach or misrepresentation by Tembo Gold of, any representations and warranties contained in this Agreement. Tembo Gold undertakes to immediately notify the Pool Members of any change in any statement or other information relating to Tembo Gold that occurs prior to the Closing Time.

9. Covenants by Tembo Gold

9.1 interim covenants

9.1.1 Tembo Gold undertakes and covenants to each of the Pool Members in relation to the Subscription that between the Signature Date and the Board Change Date, save as a majority in number of the Pool Members may otherwise agree in writing, acting reasonably, it shall:

9.1.1.1 not have more than 5 directors on its board;

9.1.1.2 not appoint any additional directors to its board;

9.1.1.3 not propose a special shareholders resolution to fix the precise number of directors who may be elected to the board;

9.1.1.4 not propose any resolutions to be passed at its annual and special meeting of shareholders to be held on or about 20 December 2013 other than the proposed resolutions set out in the management information circular attached to the Disclosure Letter;

9.1.1.5 not issue or sell or enter into any agreement to issue or sell any Common Shares or options or securities convertible into or exchangeable for Common Shares other than those contemplated in clause 5.3 and the Concurrent Offering;

- 9.1.1.6 not do anything or permit the doing of anything which in any way breaches or may reasonably lead to a breach of any of the warranties given by it in clause 8 and Schedule "H";
- 9.1.1.7 not declare or pay any dividends or declare or make any other payments or distributions (including capitalisation or bonus issues, and distributions of any assets or property) to its shareholders;
- 9.1.1.8 not enter into any commitment by way of a transaction or series of related transactions (including without limitation any leasing transaction) which would involve Tembo Gold in the payment or receipt of consideration having an aggregate value in excess of CDN\$10,000.00;
- 9.1.1.9 conduct its affairs and business on an arm's length basis, in the ordinary course of business, acting in good faith and, at all times, with due regard to each Pool Member as if each Pool Member was the holder and beneficial owner of all of the Units and in anticipation of each Pool Member subscribing for and being issued the Subscription Units, or any part thereof;
- 9.1.1.10 not do or omit to do or permit the doing of or omit to do anything which will materially prejudice the continued goodwill of its business or the businesses of any of its Subsidiaries (including exploration and prospecting activities) or reduce the scope of its business or the businesses of any of its Subsidiaries (including exploration and prospecting activities) or which could or might reasonably be expected to jeopardise its ability to meet its obligations under this Agreement and/or any other Material Agreement to which it is or becomes a party;
- 9.1.1.11 not amend, cancel, extend any time, waive or relax or suspend, or agree not to enforce or to suspend or postpone the enforcement of, any provision or condition precedent of any Material Agreement to which it is or becomes a party;

- 9.1.1.12 not cause, and shall use all commercially reasonable endeavours to prevent, an Event of Default in respect of any Material Agreement to which it is a party, and, if such Event of Default occurs, it shall use all commercially reasonable endeavours to remedy or reduce or mitigate the effect of the Event of Default;
- 9.1.1.13 not cause, and shall use all commercially reasonable endeavours to prevent, a Material Adverse Effect from occurring and, if such Material Adverse Effect occurs, it shall use all commercially reasonable endeavours to reduce or mitigate such Material Adverse Effect;
- 9.1.1.14 save as (i) is contemplated in this Agreement, (ii) is otherwise required for or reasonably incidental to the fulfilment of the Conditions Precedent and/or any legal or regulatory requirements, or (iii) contemplated in the proposed resolutions set out in the management information circular for the annual and special meeting of shareholders to be held on 20 December 2013 as attached to the Disclosure Letter, not do or undertake any matter which requires an authorisation from or approval by its shareholders; provided that each Pool Member shall, in respect of any such matter, not unreasonably withhold or delay its consent;
- 9.1.1.15 notify each Pool Member in writing (immediately upon becoming aware of the same or as such as may be stipulated below) of:
- 9.1.1.15.1 receipt by it of any default notices in terms of any Material Agreement to which it is or becomes a party;
- 9.1.1.15.2 any matter, fact, event or circumstance, including any change in the financial condition or business or prospects of it or its Subsidiaries which will or is likely to cause a breach by it of any representations, warranties or undertakings under this Agreement or any other Material Agreement to which it is or becomes a party, or to cause any of the Conditions Precedent to fail; and

9.1.1.15.3 any and all disputes, litigation or arbitration proceedings pending or threatened and any material development in respect of any of the aforementioned to which it is a party; and

9.1.1.16 procure that each of its Subsidiaries do not do or omit to do anything that would breach the undertakings in clauses 9.1.1.1 to 9.1.1.15 as if such undertakings were given directly by such Subsidiary to each Pool Member, changed as necessary.

9.1.2 Tembo Gold agrees that, in the period between the Signature Date and the Board Change Date, the Pool Members shall have the right to receive notices and agendas of all meetings of the shareholders and the board of Tembo Gold, and to attend and speak at (but not, by virtue of its rights under this Agreement, to vote), at all meetings of the board of Tembo Gold.

9.2 **continuing covenants**

Tembo Gold undertakes and covenants to each Pool Member that, save as the Pool Group may otherwise agree in writing or as is provided for in the Disclosure Letter, it shall with effect from the Closing Date:

9.2.1 appoint as non-executive directors on its board of directors not less than one person nominated by such Pool Member in accordance with clause 13, subject to all necessary regulatory requirements and approvals (however, for the avoidance of doubt, no appointments shall occur until following Tembo Gold's annual and special meeting of shareholders for the financial year ended December 31, 2012 which is currently scheduled to be held on December 20, 2013 but shall not be held later than December 31, 2013);

9.2.2 use its reasonable best efforts to comply with all filing and other disclosure requirements under Securities Laws, in all material respects;

9.2.3 use its reasonable best efforts to preserve and maintain its corporate existence (unless Tembo Gold is the subject of a take-over or other form of transaction where shareholders of Tembo Gold are provided with the opportunity to vote or tender their shares in respect thereof);

- 9.2.4 use the net proceeds from the Subscription to fund ongoing exploration costs on its properties in Tanzania and for working capital purposes, or for such other purpose/s as may be consented to in writing by the other Parties from time to time;
- 9.2.5 through its employees, agents, contractors and subcontractors, and Subsidiaries, ensure that the design, construction, operation, maintenance, management and monitoring of Tembo Gold's and its Subsidiaries' sites, plants, equipment, operations and facilities are undertaken in compliance with (i) the Action Plan, (ii) the applicable requirements of the IFC Performance Standards, and (iii) material Applicable S&E Law;
- 9.2.6 undertake its Operations in compliance with the Action Plan and otherwise comply with the IFC Performance Standards in all material respects, periodically review the Annual Monitoring Report and advise the Pool Members as to whether revision of the form is necessary or appropriate in light of changes to the Operations and revise the form of the Annual Monitoring Report, if applicable, with the prior written consent of NAMF and NAMF South Africa, not to be unreasonably withheld;
- 9.2.7 upon the Pool Member's written request, and with reasonable prior notice to Tembo Gold, Tembo Gold shall permit representatives of the Pool Member, during normal office hours, to:
- 9.2.7.1 visit any of the sites and premises where the business of Tembo Gold or its Subsidiaries is conducted;
- 9.2.7.2 inspect any of the sites, facilities, plants and equipment of Tembo Gold and its Subsidiaries;
- 9.2.7.3 have access to those authorized employees, agents, contractors and subcontractors of Tembo Gold and its Subsidiaries who have or may have knowledge of matters with respect to which the Pool Member seeks information;
- 9.2.8 comply, in all material respects, with all Laws applicable to Tembo Gold;

- 9.2.9 within 90 days of the end of each Financial Year, disclose to each Pool Member all material national, regional and local payments to any Authority in respect of Taxes, royalties, concession fees, profit sharing fees, bonus, licensing fees and any other payments of a similar nature and interests, penalties and any add-ons with respect thereto and all other material payments that are in the nature of Taxes, profit share, production share, or for rights to access resources to the governments governing the countries where the Projects are located, and ensure that such disclosure shall be substantially in the form set out in Schedule "G";
- 9.2.10 within three (3) Business Days after its occurrence, notify the Pool Member of any social, labour, health and safety, security or environmental incident, accident or circumstance having or which could reasonably be expected to have a Material Adverse Effect or any material impact on the implementation or operation of the Operations in compliance with the IFC Performance Standards, specifying, in each case, the nature of the incident, accident or circumstance and any effects resulting or likely to result therefrom, and the measures being implemented to address them and to prevent any future similar event; and keep the Pool Member informed of the on-going implementation of those measures;
- 9.2.11 to the extent provided to all other shareholders of Tembo Gold, provide to the Pool Member, within seven (7) days from the date such documents are completed or received, copies of:
- 9.2.11.1 the annual business plan and budget of Tembo Gold;
- 9.2.11.2 all material filings, notifications or other documentation submitted to any Authority relating to Tembo Gold or any of its Subsidiaries, including, without limitation, copies of all documentation related to any material litigation; and
- 9.2.11.3 minutes and resolutions of board meetings and committee meetings;
- 9.2.12 within six months after the end of each Financial Year, send to the Pool Member at the same time as it makes available to its other shareholders,

one copy of Tembo Gold's audited financial statements prepared for each Financial Year;

- 9.2.13 within 90 days after the end of each financial quarter other than the end of the Financial Year, unaudited quarterly financial statements for Tembo Gold on a consolidated basis, prepared in accordance with International Financial Reporting Standards;
- 9.2.14 within 90 days after the end of each Financial Year beginning with the Financial Year ending 31 December 2014, deliver to NAMF and NAMF South Africa the corresponding Annual Monitoring Report in the form attached as Schedule "A" hereto confirming compliance with the Action Plan, the social and environmental covenants set forth in clauses 9.2.1 and 9.2.6 and Applicable S&E Law, or, as the case may be, identifying any non-compliance or failure, and actions being taken to remedy any such delivery;
- 9.2.15 maintain and keep current the Property Rights and comply with its obligations under the Property Rights and use its best efforts to procure its Subsidiaries to comply with its obligations under the Property Rights;
- 9.2.16 comply in all respects with its HSEC Policy and the Human Resources Policy;
- 9.2.17 comply in all material respects with the Voluntary Principles on Security and Human Rights (see <http://www.voluntaryprinciples.org/principles/> or successor website location) in connection with its Operations;
- 9.2.18 not engage in (nor authorise or permit any affiliate or any other Person acting on its behalf to engage in) any Sanctionable Practice, including corrupt practice, fraudulent practice, coercive practice, collusive practice or obstructive practice, with respect to any shareholding in, or any operation of, Tembo Gold, and each relevant party shall notify the Pool Member if it becomes aware of any such violation. Should the Pool Member notify the relevant party of its concern that there has been a violation of this provision, the relevant party shall cooperate in good faith to determine whether such a violation has occurred, and shall respond promptly and in reasonable detail

to any notice from the Pool Member, and shall furnish documentary support for such response upon the Pool Member's request;

- 9.2.19 institute, maintain and comply with appropriate internal procedures and controls, satisfactory to the Pool Member, and following best international standards, for anti-money laundering and combating the financing of terrorism, fraud, or other corrupt or illegal purposes or practices;
- 9.2.20 not, and shall ensure that each of its Subsidiaries shall not, conduct business or enter into any transaction with, or transmit any funds through, a shell bank, being any bank incorporated in a jurisdiction in which it has no physical presence and which is not an affiliate of a regulated (i) bank; or (ii) financial group;
- 9.2.21 not enter into any transaction with, or for the benefit of, any individuals or institutions named on (i) lists promulgated pursuant to any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter; or (ii) the World Bank Listing of Ineligible Firms (see www.worldbank.org/debarr or any successor website or location);
- 9.2.22 ensure the implementation and continuing operation of the social and environmental assessment documents, including (without limitation), the environmental and social impact assessment, environmental and social management plan and associated work required to explore and develop its Operations ("**SEA Documents**"), to identify, assess and manage the social and environmental risks of the activities of Tembo Gold and its joint venture partners; and in the event any successor or replacement of the environment and social corporate manager needs to be appointed such manager shall be reasonably acceptable to NAMF and NAMF South Africa;
- 9.2.23 not waive the application of, amend, or otherwise materially restrict the scope of effect of the SEA Documents accepted by the Pool Member without the prior written consent of NAMF and NAMF South Africa; and
- 9.2.24 ensure and procure (as the case may be) that it and its employees, agents, contractors and subcontractors, the Subsidiaries and their employees,

agents, contractors and subcontractors comply with all applicable Social and Environmental Policies and Environmental, Health and Safety Guidelines of the World Bank Group and applicable laws and regulations in Tanzania (and any other country where Tembo Gold or any of the Subsidiaries carry out Operations) relating to the environment.

10. Pre-Emptive Right

10.1 Without in any way limiting the rights of each of the Pool Members at Law, if at any time after the Closing Date, subject to clauses 10, 11 and 12, Tembo Gold proposes to issue or sell any Common Shares or securities convertible into Common Shares (the "**Additional Securities**") in any transaction other than the Concurrent Offering, an Excluded Issuance, a Non-Cash Offering or a Pro-Rata Distribution (a "**Share Transaction**"), each Pool Member will have the right (the "**Pre-Emptive Right**") to subscribe for and purchase such number of Additional Securities, at the price at which such Additional Securities are offered for issue or sale to other purchasers (the "**Other Purchasers**"), as will enable each Pool Member, after giving effect to such Share Transaction and any exercise of pre-emptive or similar rights held by any other person, if applicable, to:

10.1.1 in the case of a Share Transaction consisting solely of Common Shares, maintain a percentage ownership interest in the outstanding Common Shares that is the same as the Subscriber Ownership Percentage immediately prior to the completion of the Share Transaction; and

10.1.2 in the case of a Share Transaction which does not include Common Shares or which includes Common Shares in conjunction with other securities convertible into Common Shares, maintain the same Subscriber Diluted Ownership Percentage held immediately prior to the completion of the Share Transaction.

10.2 If Tembo Gold proposes to issue or sell Additional Securities pursuant to a Share Transaction giving rise to the Pre-Emptive Right, Tembo Gold will give written notice to each Pool Member (the "**Initial Rights Notice**") not less than ten (10) Business Days prior to the earlier of (i) Tembo Gold entering into a binding agreement with any person providing for such Share Transaction and (ii) Tembo

Gold publicly announcing such Share Transaction. The Initial Rights Notice will contain sufficient information regarding the particulars of the Share Transaction as would allow each Pool Member to make a reasoned decision as to whether or not to exercise its Pre-Emptive Right, including:

- 10.2.1 the total number of each class of securities outstanding as at the date of the Initial Rights Notice;
- 10.2.2 the Subscriber Ownership Percentage or Subscriber Diluted Ownership Percentage calculated as of the date of the notice, as applicable;
- 10.2.3 the anticipated numbers and classes of Additional Securities proposed to be offered in such Share Transaction, and the rights, privileges, restrictions, terms and conditions of each such class as at the date of the Initial Rights Notice;
- 10.2.4 (A) a target value for the aggregate gross proceeds or a range of aggregate gross proceeds sought to be raised in such Share Transaction (before giving effect to the Subscriber's Pre-Emptive Right), prior to the exercise of any underwriters' or agents' over-allotment option or the conversion, exercise or exchange of any convertible securities proposed to be issued in such Share Transaction, and (B) a target value for the price (on a per security basis) payable by the Pool Member for the Additional Securities to which it is entitled pursuant to the Pre-Emptive Right or a reasonable estimated range of such prices; and
- 10.2.5 the proposed closing date for such Share Transaction,

and Tembo Gold will during such period use its commercially reasonable efforts to consult with each Pool Member and the TSXV (or any other stock exchange on which Tembo Gold's securities are listed) as to the size, structure and other characteristics of the Share Transaction with a view to giving full effect to the intention of the Parties that the Pool Member be able to fully exercise its Pre-Emptive Right in connection therewith. If at the date of the Initial Rights Notice, any of the above information is not known to Tembo Gold, Tembo Gold shall

provide such information to each Pool Member as soon as possible upon such information being ascertained.

10.3 If applicable, immediately upon Tembo Gold entering into a binding agreement with a third party setting out:

10.3.1 (A) the actual aggregate gross proceeds sought to be raised in such Share Transaction (before giving effect to the Pool Members' Pre-Emptive Right), prior to the exercise of any underwriters' or agents' over-allotment option or the conversion, exercise or exchange of any Convertible Securities proposed to be issued in such Share Transaction, and (B) the actual price (on a per security basis) payable by the Pool Members for the Additional Securities to which they are entitled pursuant to the Pre-Emptive Rights;

10.3.2 the classes of Additional Securities to be offered in such Share Transaction, and the rights, privileges, restrictions, terms and conditions of each such class; and

10.3.3 the proposed closing date for such Share Transaction,

Tembo Gold will give written notice to the Pool Members (the "**Final Rights Notice**") setting out such information.

10.4 Each Pool Member will give written notice to Tembo Gold not later than:

10.4.1 in the case of a Share Transaction which is a bought deal financing or an overnight marketed financing, such time as Tembo Gold shall set out in the Final Rights Notice, which shall not be earlier than 7:30 a.m. (Toronto time) on the day following the day on which the Final Rights Notice was given to the Pool Member; and

10.4.2 in the case of any other Share Transaction, 5:00 p.m. (Toronto time) on the fifth (5th) Business Day following the Pool Member's receipt of the Final Rights Notice (the "**Rights Exercise Deadline**") as to whether it will exercise, in whole or in part, its Pre-Emptive Right and if exercised in part the amount of Additional Securities to be subscribed for. If no such notice is given by the Pool Member to Tembo Gold prior to the Rights Exercise

Deadline, the Pool Member will be deemed to have elected not to exercise its Pre-Emptive Right in respect of such Share Transaction.

- 10.5 If one or more Pool Members exercise their Pre-Emptive Right, the closing of the purchase by the Pool Members of the Additional Securities will occur and payment for the Additional Securities will be due, to the extent practicable and subject to the receipt and continued effectiveness of all required regulatory approvals, on the later of the date that the underlying Share Transaction closes and the date 17 Business Days after the Rights Exercise Deadline, and will otherwise be on the same terms and conditions as the sale of the Additional Securities to the Other Purchasers.
- 10.7 For the avoidance of doubt, the Pool Members will not be obliged to implement, and may cancel, the exercise of any Pre-Emptive Rights if the underlying Share Transaction does not close.
- 10.8 The issuance and sale of any Additional Securities is subject to any required regulatory approvals and the approval of the TSXV or any other stock exchange on which Tembo Gold's securities are listed and which is or may be required for such issuance.

11. Company Shareholder Approval

- 11.1 Notwithstanding anything to the contrary in this Agreement, Tembo Gold may determine not to issue to the Pool Members their full entitlement to Additional Securities in respect of any Share Transaction if, based upon the published rules, policies and staff notices of or discussions with the TSXV or any other stock exchange on which Tembo Gold's securities are listed, or any other published requirement of Law, in the reasonable judgement of Tembo Gold it is more likely than not that Tembo Gold would be required to obtain the approval of its shareholders in order to permit the exercise in full by one or more of the Pool Members of their Pre-Emptive Rights and (ii) obtaining such approval in advance of the Share Transaction will be prejudicial to such Share Transaction ("**Deferred Pre-Emptive Share Transaction**"); provided that if Tembo Gold seeks the required shareholder approval for the relevant Share Transaction itself (not taking into account the Additional Securities issuable upon full exercise of

the Pre-Emptive Rights), Tembo Gold shall, at the same time it seeks such approval, seek approval of its shareholders to the extent required to permit the exercise in full by one or more of the Pool Members of their Pre-Emptive Rights. Notwithstanding the foregoing, Tembo Gold may, prior to the closing of such Share Transaction, seek and obtain any required shareholder approval related to the Additional Securities issuable upon full exercise of the Pre-Emptive Rights in the manner required by such stock exchange or by Law.

11.2 Should Tembo Gold proceed with a Deferred Pre-Emptive Share Transaction:

11.2.1 the Pool Members' initial entitlement to Additional Securities upon the exercise of their Pre-Emptive Right will be reduced (pro rata to each Pool Member's shareholding in Tembo Gold) to the minimum extent necessary so that shareholder approval will not be required for the completion of such Share Transaction and the issuance and sale of such Additional Securities will be completed in accordance with clause 10.5;

11.2.2 Tembo Gold will seek the approval of its shareholders (the "**Tembo Gold Shareholder Approval**"), in the manner permitted by the TSXV (or any other stock exchange on which Tembo Gold's securities are listed) and all other applicable Laws, which may include, for greater certainty, by way of written consent of its shareholders ("**Written Shareholder Approval**"), for the issuance to the Pool Members in a subsequent private placement transaction of any Additional Securities which the Pool Members were otherwise entitled to purchase pursuant to their Pre-Emptive Right in connection with such Share Transaction and which, pursuant to clause 11.2.1 were not issued to the Pool Members in connection therewith (the "**Deferred Issuance**");

11.2.3 if Tembo Gold Shareholder Approval is obtained, Tembo Gold will, as soon as practicable thereafter, complete the Deferred Issuance and issue and sell to the Pool Members such Additional Securities at the greater of (A) the price at which the Pool Members would have acquired such Additional Securities in connection with the completion of such Share Transaction and (B) the minimum price that the TSXV (or any other stock exchange on which Tembo Gold's securities are listed and which applies to, and has

jurisdiction over, the relevant issuance) will accept in accordance with its rules and policies; and

- 11.2.4 if Tembo Gold Shareholder Approval is not obtained, Tembo Gold will use its commercially reasonable efforts to complete the Deferred Issuance and issue and sell to the Pool Members such Additional Securities at the next available opportunity which may be permitted under the rules and policies of the TSXV (or any other stock exchange on which Tembo Gold's securities are listed and which applies to, and has jurisdiction over, the relevant issuance) at the price referred to in clause 11.2.3.
- 11.3 In connection with the obtaining of Tembo Gold Shareholder Approval, Tembo Gold will, as soon as practicable after initiating the Share Transaction, either (i) obtain Written Shareholder Approval; or (ii) call and hold a special meeting of its shareholders (the "**Meeting**") and prepare a notice of meeting and management information circular (collectively, the "**Circular**") and any other documents required by applicable Laws in connection with the Meeting, Tembo Gold will use its commercially reasonable efforts to obtain Tembo Gold Shareholder Approval and will diligently do all such reasonable acts and things as may be advisable in connection with the timely seeking of Tembo Gold Shareholder Approval.
- 11.4 If Tembo Gold calls and holds a Meeting, the Circular will contain the Board of Directors' recommendation that Tembo Gold's shareholders vote in favour of the special resolution to approve the Deferred Issuance. Tembo Gold will provide the Pool Members with a timely opportunity to review and comment on drafts of the Circular and all other documents required by applicable Laws to be mailed to Tembo Gold's shareholders in connection with the Meeting, and Tembo Gold will incorporate therein all reasonable comments so made, provided that any portions of the Circular or such other documents that refer or relate to the Pool Members shall be satisfactory to each of the Pool Members, acting reasonably. Tembo Gold (i) will call and hold the Meeting in accordance with applicable Laws and, to the extent applicable, using the abridged timing contemplated by National Instrument 54-101 — Communication with Beneficial Owners of Securities of a Reporting Issuer adopted by the Canadian Securities Administrators, and (ii) will

provide notice to the Pool Members of the Meeting and allow the Pool Members' representatives to attend the Meeting.

12. Termination of Pre-Emptive Right

The Pre-Emptive Right provided to a Pool Member in terms of clause 10 will terminate in relation to the Pool Member in the event that such Pool Member's Subscriber Ownership Percentage is at any time less than 5%.

13. Board Representation

13.1 Without in any way limiting the rights of each of the Pool Members herein or at Law to nominate or appoint directors to the Board of Directors, from and after the Closing Date and subject to clause 13.2, each of NAMF, Stratex and Concept Capital ("**Appointers**"), will be entitled to designate one nominee for election or appointment to the Board of Directors from time to time (the "**Subscriber Nominee**") who meets the individual qualification requirements for directors under applicable Laws. Each Appointer will consult with Tembo Gold with respect to the appropriateness of any individual to act as its Subscriber Nominee to ensure that such individual meets the individual qualification requirements for directors under applicable Laws.

13.2 If a Subscriber Nominee to be appointed pursuant to clause 13.1 is designated, as soon as practicable after the Closing Date, Tembo Gold and the Board of Directors will take or cause to be taken all such steps as may be necessary to cause an existing director of Tembo Gold to resign and to appoint the Subscriber Nominee to fill the vacancy on the Board of Directors created by such resignation to serve until the next annual general meeting of shareholders of Tembo Gold. However, for the avoidance of doubt, no appointments of Subscriber Nominees shall occur until following Tembo Gold's annual and special meeting of shareholders for the financial year ended December 31, 2012 which is currently scheduled to be held on December 20, 2013 but shall not be held later than December 31, 2013.

13.3 As applicable, Tembo Gold will include the Subscriber Nominees from time to time as a management nominee for election as a director in each management

information circular of Tembo Gold following December 31, 2013 for a meeting of shareholders of Tembo Gold at which directors are to be elected. Tembo Gold agrees to solicit proxies from its shareholders for the Subscriber Nominees (but will not be required to retain a proxy solicitation agent) and will not permit management proxies to be voted in favour of any other nominee to the Board of Directors except for such proxies as contain a specific contrary direction unless such management proxies are also being voted in favour of the Subscriber Nominees. Tembo Gold will advise each Appointer of the intended mailing date of any proxy solicitation materials at least twenty (20) Business Days prior to such intended mailing date ("**Nominee Notice**") for purposes of any meeting of shareholders at which directors of Tembo Gold are to be elected. If applicable, each Appointer will advise Tembo Gold of the identity of its Subscriber Nominees within ten (10) Business Days of its receipt of the Nominee Notice. If an Appointer does not advise Tembo Gold of the identity of its Subscriber Nominee prior to such deadline, then the Appointer will be deemed to have nominated its incumbent nominee.

13.4 If any Subscriber Nominee ceases to meet the individual qualification requirements for directors prescribed by applicable Laws and Tembo Gold delivers written notice to the Pool Group requiring the resignation of such Subscriber Nominee, the Pool Group will cause such Subscriber Nominee to forthwith resign. In such event, or in the event that any Subscriber Nominee otherwise ceases to serve as a director of Tembo Gold, whether due to his or her death, disability, resignation or removal, Tembo Gold and the Board of Directors will take or cause to be taken all such steps as may be necessary to appoint a replacement Subscriber Nominee designated by the Pool Group in accordance with clause 13.1 to fill the vacancy on the Board of Directors created by the resignation of the former Subscriber Nominee.

13.5 If, at any time following the Closing Date, the Subscriber Ownership Percentage of a Pool Member is less than 10%, Tembo Gold will forthwith give written notice thereof to that Pool Member. If, following such written notice being sent by Tembo Gold, the Subscriber Ownership Percentage of the particular Pool Member remains below 10% for a period of 10 consecutive Business Days beginning on the date such notice was sent, then thereafter the Pool Member will

have no further entitlement to designate a Subscriber Nominee to the Board of Directors, and following written notice being given by Tembo Gold requiring the resignation of the Subscriber Nominee, the Pool Member will cause the Subscriber Nominee to forthwith deliver a resignation and release in a form to be agreed between the Parties, acting reasonably.

- 13.6 From and after December 31, 2013 until following the annual and special meeting of shareholders of Tembo Gold following December 31, 2013, each Pool Member covenants that it will exercise any voting rights attached to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the Pool Member at any meeting of shareholders of Tembo Gold to vote in favour of the Pool Member Subscriber Nominees and to vote in favour of, or abstain from voting for, any two other management nominees.

14. Confidentiality

- 14.1 Without the prior written consent of the other Party, each Party will keep confidential and will not disclose to any person the details of this Agreement ("**Transaction Confidential Information**"), except as set out in clause 14.2 and except as required by Law and Other Applicable Securities Laws.
- 14.2 The Parties agree to keep all Transaction Confidential Information confidential and to disclose it only to their officers, directors, employees, consultants, professional advisers, permitted transferees and, in the case of the Pool Group, financiers and direct and indirect shareholders, who:
- 14.2.1 have a need to know (and then only to the extent that each such person has a need to know);
- 14.2.2 are aware that the Transaction Confidential Information should be kept confidential;
- 14.2.3 are aware of the disclosing Party's undertakings in relation to such information in terms of this Agreement; and

- 14.2.4 have been directed by the disclosing Party to keep the Transaction Confidential Information confidential and have undertaken to keep the Transaction Confidential Information confidential.
- 14.3 The obligations of the Parties in relation to the maintenance and non-disclosure of Transaction Confidential Information in terms of this Agreement do not extend to information that:
- 14.3.1 is disclosed to the receiving Party in terms of this Agreement but at the time of such disclosure such information is known to be in the lawful possession or control of that Party and not subject to an obligation of confidentiality;
- 14.3.2 is or becomes public knowledge, otherwise than pursuant to a breach of this Agreement by the Party who disclosed such Transaction Confidential Information; or
- 14.3.3 is required by the provisions of any Law, or during any court proceedings, or by the rules or regulations of any recognised stock exchange to be disclosed and, with the exception of disclosures made pursuant to the rules or regulations of any recognised stock exchange (in the case of which the Party obliged to comply with such requirement shall give the other Party prior written notice, to the extent reasonably practicable, together with drafts or copies relating to such press release, publishing or disclosure), the Party required to make the disclosure has taken all reasonable steps to oppose or prevent the disclosure of and to limit, as far as reasonably possible, the extent of such disclosure and has consulted with the other Party prior to making such disclosure.

15. Breach

If a Party commits a material breach of any of the terms of this Agreement and fails to remedy such breach within 14 days after written notice from the other Party giving full particulars of such breach and requiring its remedy, that Party shall be in default. The aggrieved Party shall be entitled to claim specific performance and/or damages against the Party in default, in addition to all other remedies at law.

16. Personal information

16.1 The Pool Members acknowledge and consent to the fact that Tembo Gold is collecting the Pool Members's personal information (as that term is defined under applicable privacy legislation, including, without limitation, the Personal Information Protection and Electronic Documents Act (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time), for the purpose of completing this Subscription. The Pool Members acknowledge and consent to Tembo Gold retaining such personal information for as long as permitted or required by law.

16.2 The Pool Members acknowledge and consent to the fact that Tembo Gold may be required by the Securities Laws, the rules and policies of any stock exchange or the rules of the Investment Industry Regulatory Organization of Canada to provide regulatory authorities or stock exchanges with any personal information provided by the Pool Members. In addition to the foregoing, the Pool Members acknowledge and agree that Tembo Gold may use and disclose the Pool Members' and, if applicable, such agent's personal information, and consents thereto, as follows:

16.2.1 for internal use with respect to managing the relationships between and contractual obligations of Tembo Gold and the Pool Members;

16.2.2 for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to the Canada Revenue Agency;

16.2.3 disclosure to stock exchanges and securities regulatory authorities and other regulatory bodies having jurisdiction with respect to approval or acceptance for filing of the Subscription, reports of trades and similar stock exchange or regulatory filings including, without limiting the generality of the foregoing, disclosure to the TSXV pursuant to the Corporate Placee Registration Form attached hereto as Schedule "D" and Form 4B – Private Placement Notice Form to be filed by Tembo Gold in respect of the Subscription and the collection, use and disclosure thereof by the TSXV for

the purposes described Schedule "D" or as otherwise identified by the TSXV, from time to time;

16.2.4 disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure; or

16.2.5 disclosure to a court determining the rights of the Parties under this Agreement.

16.3 The Pool Members are hereby notified that:

16.3.1 Tembo Gold may deliver to the Ontario Securities Commission and the TSXV certain personal information pertaining to the Pool Members, including such the Pool Members' full names, residential addresses and telephone numbers, the number of Subscription Units purchased by each Pool Member and the total purchase price paid for such Subscription Units, the prospectus exemption relied on by Tembo Gold and the date of distribution of the Subscription Units;

16.3.2 such information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation;

16.3.3 such information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and

16.3.4 the Pool Members may contact the following public official in Ontario with respect to questions about the Ontario Securities Commission's indirect collection of such information at the following address and telephone number:

Administrative Support Clerk
Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario, M5H 3S8
Telephone: (416) 593-3684

16.4 Furthermore, the Pool Members hereby acknowledge and consent to the collection, use, and disclosure of certain personal information by the British Columbia Securities Commission, including the publishing or otherwise making available to the public, personal information including, its name, address, contact person name and telephone number, number and type of securities purchased, the purchase price therefor, and its insider or registrant status, if applicable, and the exemptions that the Pool Members are relying on in purchasing the Subscription Units.

17. Miscellaneous matters

17.1 addresses

17.1.1 The Parties choose the following addresses and fax numbers at which notices and the Disclosure Letter may be served in connection with this Agreement, and the following physical addresses at which documents in legal proceedings in connection with this Agreement may be served (i.e. their *domicilia citandi et executandi*):

17.1.1.1 in the case of Tembo Gold:

address : Tembo Gold Corp
25 Adelaide Street East, Suite 820
Toronto, Ontario
M5C 3A1

fax no : +1 866-728 1687

and is marked for the attention of Marc Cernovitch;

17.1.1.2 in the case of NAMF:

address : NAMF
6th Floor Tower A
1 Cyber City
Ebene
Republic of Mauritius

fax no : +230 403 6060

and is marked for the attention of Mrs N Bhugeloo;

17.1.1.3 in the case of NAMF South Africa

address :
37 Peter Place
Bryanston
2191
Johannesburg
South Africa

fax no : 2711 706 1593

and is marked for the attention of Wayne Botha;

17.1.1.4 in the case of Concept Capital

address : Trust Company Complex
Ajeltake Road
Ajeltake Island
Majuro
Marshall Islands
MH 96960

and is marked for the attention of the Directors; and

17.1.1.5 in the case of Stratex

address : 180 Piccadilly
London
W1J 9HF
United Kingdom

fax no : + 44 207 830 9651

and is marked for the attention of Dr R P Foster.

17.1.2 A notice shall be deemed to have been duly given:

17.1.2.1 on delivery, if delivered to the Party's physical address in terms of this clause during normal business hours in the country in which the recipient Party is domiciled in terms of clause 17.1.1 ("**the Recipient Domicile Country**") (or on the first business day (not being a Saturday, Sunday or national public holiday in the Recipient Domicile Country) after the date on which it was delivered if delivered outside normal business hours in the Recipient Domicile Country); or

17.1.2.2 on dispatch, if sent to the Party's then fax number during normal business hours in the Recipient Domicile Country (or on the first

business day (not being a Saturday, Sunday or national public holiday in the Recipient Domicile Country) after the day it was dispatched, if dispatched outside normal business hours in the Recipient Domicile Country),

unless the addressor is aware, at the time the notice would otherwise be deemed to have been given, that the notice is unlikely to have been received by the addressee through no act or omission of the addressee.

17.1.3 A Party may change that Party's address or fax number, as set out in clause 17.1.1, by notice in writing to the other Parties, such change to be effective only on and with effect from the 7th day after the giving of such notice.

17.1.4 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party shall be an adequate service of such written notice or communication to it notwithstanding that it was not sent to or delivered or served at its chosen *domicilium citandi et executandi*.

17.2 **entire contract**

This Agreement contains all the express provisions agreed on by the Parties with regard to the subject matter of the Agreement, and supersedes and novates in its entirety any previous understandings or agreements among the Parties in respect thereof; and the Parties waive the right to rely on any alleged provision not expressly contained in this Agreement.

17.3 **no representations**

A Party may not rely on any representation (whether or not made innocently, negligently or deliberately) which allegedly induced that Party to enter into this Agreement, unless the representation is recorded in this Agreement.

17.4 **variation, cancellation and waiver**

No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of the Parties.

17.5 **severability**

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be reduced in scope so as to remove the illegality, invalidity or unenforceability (and to the least such extent) or, to the extent that such reduction in scope is not permissible, the provision shall (to the least extent possible) be treated as having not been written (ie *pro non scripto*) and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17.6 **applicable law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

17.7 **assignment**

17.7.1 Subject to clause 17.7.2, neither Party may cede any or all of that Party's rights or delegate any or all of that Party's obligations under this Agreement, without the prior written consent of the other Party.

17.7.2 In accordance with Securities Laws and Other Applicable Securities Laws, the Parties acknowledge and agree that at any time during the period from the Signature Date to the Closing Time, each of the Pool Members shall have the right to designate any other person who is an Affiliate ("**PM's Assignee**") in its place as the subscriber for the Subscription Unit under this Agreement (the "**Designation**") by at least five (5) Business Days' advance notice in writing to Tembo Gold of its wish to effect the Designation and shall be entitled to cede all of its rights and delegate all of its obligations under this Agreement to the PM's Assignee, and thereafter

all references herein to the applicable Pool Member shall be to the PM's Assignee in relation to the relevant Subscription Units and subscription therefore under this Agreement.

17.8 costs

17.8.1 Each Party shall bear that Party's own legal costs and disbursements of and incidental to the negotiation, preparation, settling, signing and implementation of this Agreement.

17.8.2 Any costs, including all legal costs on an attorney and own client basis and any taxes thereon, incurred by a Party arising out of or in connection with a breach by another Party shall be borne by the Party in breach.

17.9 counterparts

This Agreement may be signed in one or more counterparts and by PDF or facsimile, each of which shall constitute an original and all of which, collectively, shall constitute one and the same agreement.

Signed at Omaruru, Namibia on 25th November 2013

Witness

for **CONCEPT CAPITAL MANAGEMENT LIMITED**

(Signed) "*Zydrune Koksh*"

(Signed) "*Bernd Högel*"

duly authorised and warranting such authority

Signed at Hampshire, United Kingdom on 25th November 2013

Witness

for **STRATEX GOLD A.G.**

(Signed) "*Claire Bay*"

(Signed) "*Robert Foster*"

duly authorised and warranting such authority

Signed at Bryanston, South Africa on 22nd November 2013

Witness

for **NAMF II SOUTH AFRICA PARTNERSHIP ACTING THROUGH ITS GENERAL PARTNER**

(Signed) "*Wayne Botha*"

(Signed) "*Neil Gardyne*"

duly authorised and warranting such authority

Signed at Mauritius on 22nd November 2013

Witness

for **NAMF II (MAURITIUS) LIMITED**

.....
(Signed) "Oummi Joolia"

.....
(Signed) "Venkatesen Saminada Chetty"
duly authorised and warranting such
authority

Signed at Toronto, Ontario on 25th November 2013

Witness

for **TEMBO GOLD CORPORATION**

.....
(Signed) "John Seaman"

.....
(Signed) "Marc Cernovitch"
duly authorised and warranting such
authority

Schedule "A"

Annual Monitoring Report

Annual Environmental and Social Monitoring Report (AMR)

The following template may be supplemented with annexes as appropriate to ensure all relevant information on project performance is reported.

Company Details: Tembo Gold Corp	
Project Country: Tanzania	
Project Name:	
Company authorized representative:	
I certify that the data contained in this AMR completely and accurately represents operations during this reporting period.	
Signature:	Date:

Reporting Period
Reporting periods
AMR reporting period: (12 months ending at end of Company Financial Year)

Project Status
<input type="checkbox"/> Exploration <input type="checkbox"/> PEA <input type="checkbox"/> PFS <input type="checkbox"/> DFS <input type="checkbox"/> Construction <input type="checkbox"/> Operation <input type="checkbox"/> Expansion <input type="checkbox"/> Closure
<input type="checkbox"/> Briefly describe the major operational activities over the review period (eg: number of exploration sites / activities etc);
<input type="checkbox"/> List any developments which have taken place in relation to the project over the reporting period. For example, has construction been started on any infrastructure, has new equipment been installed?

- Describe any changes to management procedures instigated as a result of project changes.

Significant Events and Issues

- Are you aware of any events¹ that may have caused damage; brought about injuries or fatalities or other health problems; attracted the attention of outside parties; affected project labour or adjacent populations; affected cultural property; or created liabilities for your company?*
- If yes please provide details of the event/issue or complete an incident report for all serious accidents or those which have generated media attention.*

Liaison with External Parties

- Describe in general, reporting/monitoring requirements imposed by local regulatory authorities.*
- Describe ongoing public consultation and disclosure, liaison with non-governmental organizations (NGOs), civil society or public relations efforts and other stakeholder engagement activities included in the Company's Stakeholder Engagement Plan.*

HSEC Policy & Management

- Outline environmental, health and safety and social management structure and provide updated organization chart*
- Describe training provided to staff on environmental, social and health and safety issues during the review period*
- Describe progress on the implementation of the worker/community health program*
- Describe how environmental and social issues are being handled at each exploration site (as relevant, provide copies of Environmental Assessments prepared in accordance with the HSEC*

¹ Examples of significant incidents follow. Chemical and/or hydrocarbon materials spills; fire, explosion or unplanned releases, including during transportation; ecological damage/destruction; local population impact, complaint or protest; failure of emissions or effluent treatment; legal/administrative notice of violation; penalties, fines, or increase in pollution charges; negative media attention; chance cultural finds; labor unrest or disputes; local community concerns.

Policy)

Environmental Monitoring

- Provide a brief summary of monitoring data (if any) and compliance with applicable national regulations of Tanzania and with IFC environmental, social and health and safety guidelines, for each exploration site as appropriate.

Occupational Health and Safety

Tembo is required to monitor and record occupational health and safety incidents throughout the reporting period for both the company and any contractors. These reports are to be submitted to NAMF II annually.

Incident statistics reporting for Company and Contractors

<i>Occupational Health and Safety Incidents</i>	<i>Number of Incidents</i>	<i>Investment Name Occupational Health and Safety Incident Details²</i>
<u>Fatalities</u>		1. Date(s) of fatality: 2. Cause of fatality: 3. Corrective or preventive measures to prevent reoccurrence:
<u>Total Lost Time Accidents (including vehicular)³</u>		1. Date(s) of lost time accidents: 2. Cause(s) of lost time accident(s): 3. Corrective or preventive measures to prevent reoccurrence:

² Provide additional sheets as needed.

³ Incapacity to work for at least one full workday beyond the day on which the accident or illness occurred.

<i>Occupational Health and Safety Incidents</i>	<i>Number of Incidents</i>	<i>Investment Name Occupational Health and Safety Incident Details²</i>
<u>Total number of lost workdays⁴ resulting from incidents.</u>		1. Total lost workdays this reporting period: 2. Total lost workdays last reporting period:
<u>Total man-hours worked</u> (total hours worked by all employees) during the reporting period <u>and Incidence calculation.</u>		1. Total man-hours worked this reporting period: 2. Incidence = total lost workdays/total man-hours worked 3. Incidence this reporting period: 4. Incidence last reporting period: 5. Incidence next to last reporting period:
<u>Training⁵</u>		1. For each type of training, list the date and number of employees that attended during this reporting period.

Public Consultation and Disclosure Monitoring

Please describe any public consultation and disclosure activities.

Formal Community Group Meetings Summary

Meeting Date	Subject of Meeting	Affected Influence Area	Attendees

Influx Management

- Describe the status of the in-migration phenomenon – level of ongoing in-migration, its footprint, the type, scale and severity of impacts.

⁴ Lost workdays are the number of workdays (consecutive or not) beyond the date of injury or onset of illness that the employee was away from work or limited to restricted work activity because of an occupational injury or illness.

⁵ Personnel should be trained in environmental, health and safety matters including accident prevention, safe lifting practices, the use of Material Safety Data Sheets (MSDS), safe chemical handling practices, proper control and maintenance of equipment and facilities, emergency response, personal protective equipment (PEP), emergency response, etc.

- Describe the interventions Tembo has developed and implemented during the reporting period to manage project-induced in-migration to the project area and address the above issues.

Community Development Activities Monitoring

Please describe progress on any Community Development Projects

Project Name	Project Description	Total Individuals Benefited	Total Budget/Total Expenditures/% of Total	Completion Date

Economic Displacement and Compensation

Provide information regarding the impacts of exploration activities on crop land and any compensation provided.

Total hectares of property impacted		Total individual landowners compensated	
This reporting year	All years	This reporting year	All years

Reporting year	Name of landowner, village	Describe asset loss	Compensation provided

Corrective Actions

Provide a brief summary of any corrective actions necessary to ensure compliance with IFC standards and applicable Tanzanian national regulations.

Action Plan

The Supplemental Action Plan is included at Schedule E. In the update column of the Plan, please indicate the status of each required action, noting whether the action has been completed or providing an update on progress.

Schedule "B"

Company Information and List of Tembo Gold's Subsidiaries

Company: Tembo Gold Corp

Registered Address: 25 Adelaide Street East, Suite 820, Toronto, Ontario.

Authorised Share Capital: Tembo Gold is authorised to issue an unlimited number of common.

Issued Share Capital (as at 20 November 2013):

Common Shares 49,586,213

Stock options 3,904,000

Warrants 11,365,621

Issued Share Capital: 49,586,213 Shares on a non-diluted basis, and 66,768,394 Shares on a fully-diluted basis

Directors: David Scott, John Seaman, David Anthony, Marc Cernovitch, Colin Taylor

No.	Company Name		Shares %
1	Tembo Gold (T) Ltd	Tembo Gold Corp	99
		Paul Magege	1
2	Tembo Mining CO. Ltd	Tembo Gold Corp	99
		Paul Magege	1
3	Bemuda Limited	Tembo Gold Corp	300
		Tembo Gold (T) Limited	700
4	Mwamba Resources Ltd	Tembo Gold Corp	40
		Tembo Gold (T) Ltd	60
5	REAPA Business Associate Ltd	Tembo Gold Corp	60
		Tembo Gold (T) Ltd	40
6	Mineral Industry Promotion and Consulting Co. Ltd	Tembo Gold Corp	60
		Tembo Gold (T) Ltd	40

No.	Company Name		Shares %
7	PARAMA and Company Ltd	Tembo Gold Corp	70
		Tembo Gold (T) Ltd	30
8	JOPE Business Associate Ltd	Tembo Gold Corp	50
		Edwin Mchihiyo	50
9	Ikina Reef Limited	Tembo Gold (T) Ltd	15
		Kiganga Associate Gold Mining Limited	85
10	Kiganga Associates Gold Mining Limited	Tembo Gold Corp	65
		Tembo Gold (T) Ltd	35

Schedule "C"

Action Plan

TABLE: ENVIRONMENTAL AND SOCIAL ACTION PLAN

Project:	Tembo Gold Exploration Project	Date:	13 May 2013
Project Sponsor:	NAMF II		
Lenders Consultant:	SLR Consulting (Africa)		

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
1	EP2	In the short term, Tembo Gold to upgrade the standard geological sampling procedure into an operating procedure. The procedure should make provision for identifying and rating environmental and social risks, documented stakeholder engagement plan (including a grievance mechanism), inspections/ audits, record keeping and emergency response and preparedness to ensure that exploration activities are undertaken in an environmentally responsible manner and to provide the interim proof needed to show compliance with the IFC standards until such time as an assessment is undertaken. A legal register applicable to the exploration operations should be compiled and incorporated into the operating procedure. The findings of the CSIR report should be included to address social aspects where appropriate. Baseline data to be sourced from available databases and local knowledge of the area. Given the lack of baseline data, a precautionary approach should be used.	Exploration operating procedure including a legal register applicable to the exploration operations	Operating procedure: Exploration Manager with input from CEO, CSR officer and Country Manager Legal register: Qualified and reputable third party consultant	Within 2 months of the investment start date	Operating procedure: No additional cost - use of internal resources. Legal register: USD 2,000.	1
2	EP2	In the longer term, depending on the intended duration and scale of future exploration programmes, Tembo Gold to undertake a preliminary environmental assessment of its planned exploration operations to identify environmental and social risks and develop a project-specific management plan that addresses both environmental and social aspects. If required, specialist consultants could be used to provide input on more sensitive aspects such as biodiversity, and cultural heritage. Cognisance should be given to areas previously disturbed by Tembo Gold's completed exploration programmes and the potential for cumulative impacts.	Preliminary EIA	Qualified and reputable third party consultant	When the scale of the exploration programme increases from the current investment scale - to be re-assessed at start of follow-on investment	USD10,000-USD30,000	2

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
3	EP2	Tembo Gold should aim to record as much data on the surrounding environment as possible that could be used to substantiate any specialist work done should the project develop into a feasibility phase. An accurate record of before and after photos can assist with this.	Data collection sheet per exploration site / area	Exploration Manager	Pre-site clearing & on completion	No additional cost - use of internal resources.	1
4	PS1	Include in the upgraded operating procedure the stakeholder engagement processes, social responsibility programmes, internal auditing / inspections, environmental and social risk management, record keeping and emergency preparedness.	Input to operating procedure	Exploration Manager	As part of Action Plan Item No. 1		
5	PS1	Tembo Gold to develop and implement a sustainability policy in line with the requirements of Paragraph 6 of the Performance Standard. Tembo Gold to investigate and join an environmental initiative that reflects its commitment to undertaking its operations in an environmentally sustainable manner. Examples of known initiatives include the United Nations Global Compact or a mining forum such as the Chamber of Mines in South Africa that includes sustainability and environmental forums within it.	Sustainability policy	CEO	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
			Communication to all staff	Exploration Manager & Country Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
			Member of an environmental initiative	CEO	Within the first year of investment	No additional cost - use of internal resources.	3
6	PS1	Tembo Gold to develop a schedule for both internal and external audits of its exploration programme. Internal audits should be undertaken quarterly while external audits should be undertaken annually. Tembo Gold should initiate the external audit first so that the criteria developed by the auditing company can be used for internal audit purposes. External audits to be used to determine if and when external specialist input is needed including heritage and biodiversity.	Audit schedule for duration of investment	Exploration Manager	Within 3 months of the investment start date	No additional cost - use of internal resources.	1
			External audits	Qualified third party consultant	Annually with first audit 3 months after the investment start date	±USD6,000 (Tz consultant) or ±USD8,000 (outside of Tz) per audit	1
			Internal audits	Exploration Manager	Quarterly, with first audit 3 months after external audit	No additional cost - use of internal resources.	1
7	PS1	Tembo Gold could consider implementing a corporate risk management process that can then be expanded to include social and environmental risks.	Corporate risk assessment	CEO	Within the first year of investment	Internal resources with assistance from risk management consultant. ±USD6,000	4

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
8	PS1	Tembo Gold to consider all areas of influence when specialist studies are undertaken. These encompass: (i) all project activities and facilities that are a component of the project; (ii) impacts from unplanned but predictable developments caused by the project that may occur later or at a different location; or (iii) indirect project impacts on biodiversity or on ecosystem services upon which Affected Communities' livelihoods are dependent. Also included in the assessment are: (i) Associated facilities, which although not funded as part of the project would not have been constructed or expanded if the project did not exist or without which the project would not be viable; and (ii) Cumulative impacts that result from the incremental impact, on areas or resources used or directly impacted by the project.	Input Preliminary EIA to	Exploration Manager	As part of Action Plan Item No. 2		
9	PS1	Third party actions within the Tembo Gold license area need to be taken into consideration when undertaking assessment processes.	Input to operating procedure	Exploration Manager	As part of Action Plan Item No. 1		
			Input Preliminary EIA to	Exploration Manager	As part of Action Plan Item No. 2		
10	PS1	Tembo Gold to ensure that where it can reasonably exercise control, the risks and impacts identification process also considers those risks and impacts associated with primary supply chains and that contractual documents address this requirement. As the exploration programme develops, Tembo Gold to develop and implement a procurement policy.	Revised third party contracts	Country Manager	Within the first year of investment	No additional cost - use of internal resources.	5
			Procurement policy	CEO	Within the first year of investment	No additional cost - use of internal resources.	5
11	PS1	As part of the assessment work described under Equator Principle 2 above, Tembo Gold to identify if any plans or studies prepared by relevant government authorities or other parties exist for the area.	Input to operating procedure	Exploration Manager	As part of Action Plan Item No. 1		
			Input Preliminary EIA to	Exploration Manager	As part of Action Plan Item No. 2		

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
12	PS1	In the short term, update the standard geological sampling procedure as outlined under Equator Principle 2. Identify if measures are aimed at avoidance, prevention, minimisation, mitigation or compensation. Include closure objectives and define a series of measurable targets that numerically describe the achievement of the closure objectives as well as the need for close out audits of rehabilitated areas and record keeping.	Input to operating procedure	Exploration Manager	As part of Action Plan Item No. 1		
13	PS1	In the longer term, undertake a preliminary environmental assessment as outlined under Equator Principle 2.	See Action Plan Item No. 2				
14	PS1	Tembo Gold to formally document the relevant organisational roles and responsibilities and incorporate these into employment contracts.	Updated organisational chart & communication to relevant staff	Country Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
			Updated employment contracts	Country Manager and locally sourced international HR consultant	At next performance reviews	Use of internal resources assisted by consultant. ±USD3,000	2
15	PS1	As the exploration programme continues, it is advisable for Tembo Gold to appoint an environmental officer. In the interim, a training programme needs to be developed and training provided to ensure people are competent to fulfil their roles. Consideration can be given to DEG training programmes.	New appointment of an environmental officer	CEO	When environmental needs extend beyond the capacity of the interim responsible person	Appoint a professional Health Safety and Environmental Officer USD96,000pa.	3
			Environmental and social training programme	Country Manager with the assistance of the CEO	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
			Environmentally trained team member	Exploration Manager	Within the first year of investment	Local consultant to provide training. USD3,000.	2
			Trained community liaison officer	Country Manager	Within the first year of investment	Role to be fulfilled by CSR officer to be appointed. USD36,000pa	2

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
16	PS1	A formal training programme should be implemented to ensure that resources have the skills to address relevant issues appropriately. Consideration can be given to DEG training programmes.	See Action Plan Item No. 15				
17	PS1	Refer to the actions discussed under Equator Principle 2. For the preliminary assessment discussed under Equator Principle 2, a competent professional should be appointed.	Input to Preliminary EIA	Exploration Manager	As part of Action Plan Item No. 2		
18	PS1	As part of the assessment work described under Equator Principle 2, Tembo Gold to identify environmental emergency situations and develop an emergency plan for aspects such as oil spills, drill mud containment "leakages" and chance finds. Align the emergency preparedness and response plan with the requirements outline in the UNEP APELL for Mining: Guidance for the Mining Industry in Raising Awareness and Preparedness for Emergencies at Local Level.	Input to operating procedure, also an emergency awareness and preparedness plan	Exploration Manager	As part of Action Plan Item No. 1		
			Input to Preliminary EIA, also an updated emergency awareness and preparedness plan	Exploration Manager	As part of Action Plan Item No. 2		
19	PS1	Tembo Gold to document its community engagement process into a stakeholder engagement plan. This can be incorporated into the upgraded operating procedure or as a stand-alone document. The plan must take into consideration the requirement for engaging with government agencies in emergency situations.	Stakeholder engagement plan	CSR Officer	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
20	PS1	Tembo Gold to ensure that close-out inspections take place by suitably qualified personnel, that a clear method for assessing compliance is documented and that a record of these are kept on file for auditing purposes. As is currently done, before and after photos of areas disturbed	Close-out procedure included in operating procedure	Exploration Manager	As part of Action Plan Item No. 1		

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
			Register of corrective actions implemented	Exploration Manager	As part of each close out	No additional cost - use of internal resources.	1
21	PS1	Tembo Gold to document its community engagement process into a stakeholder engagement plan and ensure that written records of interactions with the community are kept for auditing purposes.	Stakeholder engagement plan	See Action Plan Item No. 19			
			Minutes of meetings / interactions	Community liaison officer	At each community interaction	No additional cost - use of internal resources.	1
22	PS1	Tembo Gold to include in its stakeholder engagement plan details of how external communication is done.	Input to stakeholder engagement plan	CSR Officer	As part of Action Plan Item No. 19		
23	PS1	In the longer term, Tembo Gold should develop and implement a formal grievance mechanism in line with the requirements of the performance standards.	Grievance mechanism procedure	CSR Officer	Within the first year of investment	No additional cost - use of internal resources.	2
24	PS2	A clause on accommodation services should be included in employment contracts where applicable, in line with requirements of Paragraph 12 of the performance standard (refer to IFC and EBRD guidance note (September 2009) on Worker's Accommodation: Processes and Standards which outlines the requirements for workers accommodation)	Updated employment contracts	Country Manager	As part of Action Plan Item No. 14		
25	PS2	Tembo Gold to make provision for anonymous complaints to be raised with the Resources Department.	Updated internal grievance mechanism	Country Manager	Within 6 months of the investment start date	No additional cost - use of internal resources.	2
26	PS2	The HR policies and all supplier agreements to include a clause stating that no child or forced labour will be used.	Updated HR policy	Country Manager	Within 6 months of the investment start date	No additional cost - use of internal resources.	2
			Updated supplier agreements	Exploration and Country Manager	Drilling contract: on appointment Existing supplier: within 6 months of the investment start date New supplier: on appointment	No additional cost - use of internal resources.	2
27	PS2	Issues such as locking gas bottles in the cage and locking the generator house should be addressed immediately. The issue of waste disposal on site should be addressed	Locked gas cage and generator house	Camps logistics Administrator	Immediately	No additional cost - use of internal resources.	1

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
		as soon as possible.	Waste management procedure	See Action Plan Item No. 33			
28	PS2	Tembo Gold to align the drilling agreement and any other third party agreements with its HR policies and the requirements of this performance standard.	Updated supplier agreements	Exploration and Country Manager	Drilling contract: on appointment Existing supplier: within 6 months of the investment start date New supplier: on appointment	No additional cost - use of internal resources.	2
29	PS2	Tembo Gold to ensure a provision for a grievance mechanism (either a contractor specific mechanism or Tembo Gold's mechanism) is included in all third party contracts.	Input to updated supplier agreements	Country Manager	As part of Action Plan Item No. 26		
30	PS2	Tembo Gold to ensure that agreements are signed for all contractors, that provisions are in place for review of suppliers operations and that it aligns any third party agreements with its HR policies and the requirements of this performance standard.	Signed agreements for all suppliers	Country Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
			Checklist for reviewing supplier operations	Country Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
			Updated supplier agreements	Country Manager	As part of Action Plan Item No. 26		
31	PS3	As the duration and scale of exploration programme increases, Tembo Gold should consider the need for a basic carbon footprint assessment.	Carbon footprint spread sheet	Specialist	When the scale of the exploration programme increases from the current investment scale	Can be done internally if resources are available. External costs - ±USD6,000	5
32	PS3	Waste management at the camp sites needs to be addressed as outlined in Item 33 below.	See Action Plan Item No. 33 below.				
33	PS3	A waste inventory for the camp and exploration sites should be drawn up. A waste management procedure should be developed catering for the temporary storage, handling, sorting, recycling and disposal of solid waste.	Waste management procedure	Exploration Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
34	PS3	Training on the importance of responsible waste management practises should be given to all staff, including contractors.	Inclusion of waste management as an agenda item	Camps logistics Administrator & Exploration	As required	No additional cost - use of internal resources.	1

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
		The upgraded operating procedure should be updated accordingly.	on camp meetings	Contractor			
			Incorporate waste management procedure in operating procedure	Exploration Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
35	PS3	Fuel storage areas should be upgraded to meet the requirements of this standard and the relevant EHS guideline.	Upgraded fuel storage areas	Exploration Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
36	PS3	Tembo Gold to formulate a pesticide management plan to guide internal use and use of external suppliers.	Pesticide management plan	Exploration Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
37	PS4	Community health and safety risks need to be taken into consideration when undertaking assessment processes.	Input to operating procedure	Exploration Manager	As part of Action Plan Item No. 1		
			Input to Preliminary EIA	Exploration Manager	As part of Action Plan Item No. 2		
38	PS4	Tembo Gold to pursue partnerships relating to avoiding and minimising the transmission of communicable diseases, in line with its policy.	Partnership agreements	CEO	Within the first year of investment	No additional cost - use of internal resources.	3
39	PS4	Tembo Gold to allocate the role of Health and Safety Officer to someone within its organisation who is trained to take responsibility for this role.	Appointed Health & Safety officer	CEO	Within the first year of investment	Suitably qualified HSE practitioner to be appointed. See AP 15 above.	2
			Trained health & safety officer	CEO	Within the first year of investment	See AP 15 above.	2
40	PS5	Tembo Gold should develop a procedure for compensation to show consistency, transparency and fairness in its actions.	Compensation procedure	Country Manager	Within 2 months of a successful investment	No additional cost - use of internal resources.	1
41	PS6	In the short term, Tembo Gold to research biodiversity of the area it operates within. This can be done through review of available databases and/or advisory input from a specialist.	Input to operating procedure	Exploration Manager	As part of Action Plan Item No. 1		
			Input to Preliminary EIA	Exploration Manager	As part of Action Plan Item No. 2		
42	PS6	Tembo Gold to include in the upgraded operating procedure, a commitment to avoid any ridges or riverine environments and if these cannot be avoided, then a commitment to include a biodiversity specialist when required to ensure activities within these areas are	Input to operating procedure	Exploration Manager	As part of Action Plan Item No. 1		

Item No.	Principle / Standard	Action	Deliverable	Resource Allocated	Time-frame	Costing	Priority
		appropriately managed.					
43	PS6	When the scale of the exploration programme increases, Tembo Gold to consider appointing a biodiversity specialist to survey sites at a level appropriate to the nature and scale of the project and where necessary, identify potential cumulative risks and advise on mitigation measures to be followed. This survey could be done in a phased approach.	Biodiversity specialist input	Exploration Manager	If identified as a need during external audits - to be re-assessed at start of follow-on investment	To be determined if deemed necessary - not expected to exceed ±USD25,000	TBD
44	PS6	As part of the site inspections, especially during rehabilitation, Tembo Gold should note the presence of invasive alien species within the site footprint and ensure these are removed appropriately. Sites where disturbance has taken place should be inspected on a regular basis post-rehabilitation until such time as the natural vegetation has re-established and the threat of invasive alien species spreading is significantly reduced.	Record as part of close-out inspections	Exploration Manager	Completion of each exploration site / area	No additional cost - use of internal resources.	1
			Removal of alien invasives from exploration site / area	Exploration Manager	Annually, as required	Can be done as a local community project - USD12,000pa	1
			Follow up inspections	Exploration Manager	Quarterly	No additional cost - use of internal resources.	1
45	PS8	Tembo Gold to undertake a survey of sites to be disturbed by its operations, develop and implement a chance find procedure and provide awareness training on cultural heritage for employees and contractors.	Survey report for each exploration site / area	Exploration Manager	As part of data collection - see Action Plan Item No. 3		
			Chance find procedure	Exploration Manager	Within 2 months of the investment start date	No additional cost - use of internal resources.	1
			Awareness training for employees & contractors	Exploration Manager	As required	No additional cost - use of internal resources.	1
46	PS8	As part of its stakeholder engagement process, Tembo Gold to source information relating to cultural heritage from communities in close proximity to exploration target areas.	Record of cultural heritage sites in the area	Community liaison officer	As new areas are targeted for exploration	No additional cost - use of internal resources.	1
47	EP5	Tembo Gold to document its community engagement process into a stakeholder engagement plan and ensure it is implemented.	See Action Plan Item No. 19				
48	EP6	Tembo Gold to formalise its grievance procedure.	See Action Plan Item No. 23				

Schedule "D"

Corporate Placee Registration Form



FORM 4C
CORPORATE PLACEE REGISTRATION FORM

This Form will remain on file with the Exchange and must be completed if required under section 4(b) of Part II of Form 4B. The corporation, trust, portfolio manager or other entity (the "Placee") need only file it on one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed Issuers. If as a result of the Private Placement, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a Personal Information Form (2A) or, if applicable, Declarations, with the Exchange.

1. Placee Information:
 - (a) Name: _____
 - (b) Complete Address: _____
 - (c) Jurisdiction of Incorporation or Creation: _____

2.
 - (a) Is the Placee purchasing securities as a portfolio manager: (Yes/No)? _____
 - (b) Is the Placee carrying on business as a portfolio manager outside of Canada: (Yes/No)? _____

3. If the answer to 2(b) above was "Yes", the undersigned certifies that:
 - (a) it is purchasing securities of an Issuer on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client's express consent to a transaction;
 - (b) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a "portfolio manager" business) in _____ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;
 - (c) it was not created solely or primarily for the purpose of purchasing securities of the Issuer;
 - (d) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and

- (e) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Issuer, and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing.
4. If the answer to 2(a). above was "No", please provide the names and addresses of Control Persons of the Place:

Name *	City	Province or State	Country

* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

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5. Acknowledgement - Personal Information and Securities Laws

- (a) "Personal Information" means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
- (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.
- (b) The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

Dated and certified (if applicable), acknowledged and agreed, at _____
_____ on _____

(Name of Purchaser - please print)

(Authorized Signature)

(Official Capacity - please print)

(Please print name of individual whose signature appears above)

THIS IS NOT A PUBLIC DOCUMENT

Schedule "E"

Form of Warrant Certificate

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.

WARRANT TO PURCHASE COMMON SHARES

OF

TEMBO GOLD CORP.

(existing under the laws of Ontario)

Number W – ●

Number of Warrants represented
by this certificate: ●

THIS CERTIFIES THAT, for value received, ● (the "**Holder**"), being the registered holder of this warrant ("**Warrant**") is entitled, at any time prior to 4:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "**Warrant Shares**") of Tembo Gold Corp. (the "**Company**") set forth above on the basis of one Warrant Share at a price of \$0.12 (the "**Exercise Price**") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, ●, this Warrant certificate (the "**Warrant Certificate**"), with a completed and executed Subscription Form, and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

1. **Definitions:** In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings namely:

- (a) "**Adjustment Period**" means the period commencing on the date hereof and ending at the Expiry Time;

- (b) "**Business Day**" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;
- (c) "**Common Shares**" means the common shares of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 11 hereof;
- (d) "**Company**" means Tembo Gold Corp., a company incorporated under the laws of Ontario and its successors and assigns;
- (e) "**Current Market Price**" of a Common Share at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the TSXV for the 20 Trading Days prior to the relevant date or, if the Common Shares are not listed on the TSXV, on any other stock exchange on which such shares are then listed as may be selected by the directors of the Company or, if the Common Shares are not listed on any stock exchange, then on the over-the-counter market with the weighted average price per Common Share being determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 Trading Days by the aggregate number of Common Shares so sold or, if the Common Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Company;
- (f) "**Dividends Paid in the Ordinary Course**" means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:
 - (i) 150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and
 - (ii) 100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);
- (g) "**Exercise Price**" means \$0.12 per Warrant Share, subject to adjustment in accordance with Section 11 hereof;
- (h) "**Expiry Day**" means ●, 2016;
- (i) "**Expiry Time**" means 4:00 p.m. (Toronto time), on the Expiry Day;
- (j) "**Holder**" shall have the meaning ascribed thereto on the face page hereof;
- (k) "**person**" means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator,

or other legal representative, or any group or combination thereof or any other entity whatsoever;

- (l) **"TSXV"** means the TSX Venture Exchange;
 - (m) **"Trading Day"** with respect to a stock exchange, market or over-the-counter market means a day on which such stock exchange or over-the-counter market is open for business;
 - (n) **"U.S. Person"** means U.S. person as that term is defined in Regulation S adopted by the United States Securities Exchange Commission under the U.S. Securities Act;
 - (o) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended;
 - (p) **"Warrant"** means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time; and
 - (q) **"Warrant Share"** means the Common Shares issuable upon the exercise of the Warrants.
2. **Expiry Time:** At the Expiry Time, all rights under the Warrants evidenced hereby, in respect of which the right of subscription and purchase herein provided for shall not theretofore have been exercised, shall expire and be of no further force and effect.
3. **Exercise Procedure:**
- (a) The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein (or to such other address as the Company may notify the Holder).
 - (b) Upon such delivery as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for with effect from the date of such delivery and shall be entitled to delivery of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable, and in any event within five (5) Business Days of such delivery.
 - (c) The certificate or certificates representing Warrant Shares issued before ● upon exercise of the Warrants represented hereby shall be impressed with a legend substantially in the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.

- (d) This Warrant may not be exercised in the United States or by or on behalf of a U.S. Person unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder of this Warrant has furnished an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.
4. **Partial Exercise:** The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall be entitled to receive, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.
5. **No Fractional Shares:** Notwithstanding any adjustments provided for in Section 11 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number.
6. **Exchange of Warrant Certificates:** This Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate (with or without legends as may be appropriate).
7. **Transfer of Warrants:** Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto. No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate (with or without legends as may be appropriate) registered in the name of the transferee or as

the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

8. **Not a Shareholder:** Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.
9. **No Obligation to Purchase:** Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.
10. **Covenants:**
 - (a) The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.
 - (b) The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, the Company shall use its best efforts to preserve and maintain its corporate existence, to remain listed on the TSXV, remain a reporting issuer not in default of the requirements of the applicable securities laws in the Canadian jurisdictions in which the Company is currently a reporting issuer and to ensure that the Company shall make all requisite filings under applicable securities legislation necessary to remain a reporting issuer not in default.
 - (c) The Company shall use its best efforts to ensure the Warrant Shares are listed and posted for trading on the TSXV or such other stock exchange or over-the-counter market as the Common Shares may be listed or quoted (as the case may be) at the time of exercise of the Warrants.
 - (d) If the issuance of the Warrant Shares upon the exercise of the Warrants requires any filing or registration with or approval of any securities regulatory authority or other governmental authority or compliance with any other requirement under any law before such Warrant Shares may be validly issued (other than the filing of a prospectus or similar disclosure document), the Company agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.
 - (e) The Company will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may be reasonably required for the better accomplishing and effecting of the intentions and provisions of this Warrant Certificate.

11. Adjustments:

- (a) Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section. The purpose and intent of the adjustments provided for in this Section is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (b), (c) or (d) of this Section. Accordingly, the provisions of this Section shall be interpreted and applied in accordance with such purpose and intent.
- (b) The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:
- (i) Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 11(b)(i) and (ii) hereof.
- (ii) Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares

so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(ii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

- (iii) Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than rights, options or warrants exercisable by the holders thereof within a period expiring not more than 45 days after the record date for such issue or distribution to acquire Common Shares or securities exchangeable for or convertible into Common Shares at a price per share, or at an exchange or conversion price per share in the case of securities exchangeable for or convertible into Common Shares, of at least 95% of the Current Market Price of the Common Shares on such record date), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied

by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(iii) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

- (c) Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 11(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.
- (d) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 11(b) or 11(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants

immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

12. Rules Regarding Calculation of Adjustment of Exercise Price:

- (a) The adjustments provided for in Section 11 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 12.
 - (i) No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.
 - (ii) No adjustment in the Exercise Price will be made in respect of any event described in Section 11, other than the events referred to in clauses 11(1)(c), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.
 - (iii) No adjustment in the Exercise Price will be made under Section 11 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend.
 - (iv) If at any time a question or dispute arises with respect to adjustments provided for in Section 11, such question or dispute will be conclusively determined by the auditor of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with access to all necessary records of the Company.
 - (v) In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 11, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common

Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

- (vi) If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be required by reason of the setting of such record date.
- (vii) In the absence of a resolution of the directors of the Company fixing a record date for any event which would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.
- (viii) As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.
- (ix) The Company will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 11, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.
- (x) The Company covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in Section 11 whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.
- (xi) In any case that an adjustment pursuant to Section 11 shall become effective immediately after a record date for or an effective date of an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant,

if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

13. Consolidation and Amalgamation:

- (a) The Company shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Company and the successor corporation shall have executed such instruments and done such things as the Company, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:
 - (i) the successor corporation will have assumed all the covenants and obligations of the Company under this Warrant Certificate, and
 - (ii) the Warrant and the terms set forth in this Warrant Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant Certificate.
- (b) Whenever the conditions of subsection 13(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Company under this Warrant in the name of the Company or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Company may be done and performed with like force and effect by the like directors or officers of the successor corporation.

14. Representation and Warranty: The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

15. If Share Transfer Books Closed: The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends

or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding three (3) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

16. **Lost Certificate:** If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.
17. **Governing Law:** This Warrant shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.
18. **Severability:** If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.
19. **Amendments:** Subject to the approval of the TSXV, the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least 75% of the Warrants then outstanding.
20. **Headings:** The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.
21. **Numbering of Articles, etc.:** Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.
22. **Gender:** Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

23. **Day not a Business Day:** In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.
24. **Binding Effect:** This Warrant Certificate and all of its provisions shall enure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.
25. **Notice:** Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is sent by telecopier or prepaid same day courier addressed as follows: ^
- (a) If to the Holder at the latest address of the Holder as recorded on the books of the Company; and
- (b) If to the Company at:
- Tembo Gold Corp
Adelaide Street East, Suite 820
Toronto, Ontario M5C 3A1
- Attention: Marc Cernovitch
Telecopier No.: 1 866-728 1687
26. **Time of Essence:** Time shall be of the essence hereof.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this _____ day of _____, 20____.

TEMBO GOLD CORP.

Per:

Authorized Signatory

SUBSCRIPTION FORM

TO: Tembo Gold Corp.
25 Adelaide Street East, Suite 820
Toronto, Ontario M5C 3A1

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Warrant Shares of Tembo Gold Corp. (the "Company") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for \$ _____ (\$0.12 per Warrant Share) in full payment therefor.

(Please check the **ONE** box applicable):

- A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), (iii) is not exercising the Warrant on behalf of a "U.S. person"; and (iv) did not execute or deliver this exercise form in the United States.

- B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF WARRANT SHARES

DATED this _____ day of _____, 20_____.

NAME: _____

Signature of Authorized
Representative: _____

Print Name: _____

_____ Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Notes:

Certificates will not be registered or delivered to an address in the United States unless Box B above is checked.

If Box B is to be checked, holders are encouraged to consult with the Company in advance to determine that the legal opinion tendered in connection with exercise will be satisfactory in form and substance to the Company.

TRANSFER FORM

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

_____ (Transferee)

_____ (Address)

_____ (Social Insurance Number)

_____ of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, _____.

Signature of Registered Holder
(Transferor)

Signature Guarantee

Print name of Registered Holder

Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

Schedule "F"

Representations, Warranties and Acknowledgements by the Pool Members

Canadian Securities Laws

Each of the Pool Members represents, warrants, acknowledges and agrees (which representations, warranties, acknowledgements and agreements shall survive the Closing) to Tembo Gold in relation to the Subscription, as at the Signature Date and as at the Closing Date and for the periods in between those dates (including, for the avoidance of doubt, the Closing Date) in each case on a several basis:

1. Representations and Warranties

- 1.1 Each of the Pool Members has been duly incorporated, created or organized and validly exists under the laws of its jurisdiction of incorporation, creation or organization, has the necessary corporate capacity and authority to execute and deliver this Agreement to subscribe for the Subscription Units and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, and upon acceptance by Tembo Gold, this Agreement will constitute a legal, valid and binding agreement of each Pool Member enforceable against each Pool Member in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Pool Members' constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Pool Members are a party or by which they are bound or any law applicable to the Pool Members or any judgment, law applicable to the Pool Members or any decree, order, statute, rule or regulation applicable to the Pool Members.
- 1.2 The Pool Members's purchase of the Subscription Units has not been made through or as a result of, the distribution of the securities comprising the Subscription Units is not being accompanied by and the Pool Members are not aware of, any advertisement of the securities in printed media of general and regular paid circulation, radio, television or electronically, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

- 1.3 No prospectus or offering memorandum within the meaning of applicable Securities Laws or any other document purporting to describe the business and affairs of Tembo Gold has been delivered to the Pool members in connection with the transaction, nor have the Pool Members requested or have any need to receive any such document in order to assist them in making an investment decision in respect of the Subscription Units.
- 1.4 No person has made to the Pool Members any written or oral representation;
- 1.4.1 that any person will resell or repurchase any of the securities;
- 1.4.2 that any person will refund all or any part of purchase price of the securities;
- 1.4.3 as to the future price or value of any of the securities; or
- 1.4.4 that any of the securities will be listed and posted for trading on a stock exchange or that application has been made to list and post any of the securities for trading on a stock exchange, other than the TSXV.

2. **General acknowledgements**

- 2.1 Each Pool Member is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Agreement and the completion of the transactions contemplated hereby. Each Pool Member is not relying on Tembo Gold, its affiliates or its legal counsel in this regard.
- 2.2 The Pool Members confirms that they:
- 2.2.1 have such knowledge in financial and business affairs as to be capable of evaluating the merits and risks (including the potential loss of its entire investment) of their investment in the Subscription Units;
- 2.2.2 are aware of the characteristics of the Subscription Units; and
- 2.2.3 are able to bear the economic risk of loss of its investment in the Subscription Units.

- 2.3 This Agreement is conditional upon the final acceptance by the TSXV.
- 2.4 Other than certain persons to be disclosed to the Pool Members, there are no persons acting or purporting to act at the request of or on behalf of Tembo Gold, that are entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement.
- 2.5 Each Pool Member is acquiring the securities in compliance with or pursuant to exemptions from any prospectus, registration or similar requirements under the applicable securities laws of the international jurisdiction in which the Pool Member resides (and each Pool Member shall deliver to Tembo Gold such further particulars of such applicable securities laws or exemptions and the Pool Member's qualifications thereunder as Tembo Gold may request).
- 2.6 No applicable securities laws of the international jurisdiction in which each Pool Member resides require Tembo Gold to make any filings or seek any approvals of any kind whatsoever in respect of the issue of the Subscription Units to any Pool Member from any securities commission or regulatory authority of any kind whatsoever in the jurisdiction of residence of the applicable Pool Member.
- 2.7 The purchase of Subscription Units by each Pool Member does not trigger (i) any obligation to prepare and file a prospectus, a registration statement, an offering memorandum or similar document, or any other on-going reporting requirements with respect to such purchase or otherwise, (ii) any registration or other obligation on the part of Tembo Gold, or (iii) Tembo Gold becoming subject to regulation in such jurisdiction or require Tembo Gold to attorn to the jurisdiction of any governmental authority or regulator in such jurisdiction or require any translation of documents by Tembo Gold, in each case in the jurisdiction of residence of the applicable Pool Member.
- 2.8 (a) none of the funds being used to purchase the Subscription Units are to the Pool Members' knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities, and (b) the funds representing the aggregate Subscription Consideration in respect of the Subscription Units which will be advanced by or on behalf of the Pool Members to Tembo Gold hereunder does not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "**PCMLTFA**"), and

the Pool Members acknowledge and agree that Tembo Gold may be required by law to provide the securities regulators with a list setting forth the identities of the beneficial subscribers of the Subscription Units, or disclosure pursuant to the PCMLTFA.

2.9 (a) none of the subscription funds provided by or on behalf of the Pool Members (i) have been or will be derived directly or indirectly from or related to any activity that is deemed criminal under the laws of Canada, the United States, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Pool Members and, (b) the Pool Members will promptly notify Tembo Gold if they discover that any of such representations cease to be true, and shall provide Tembo Gold with appropriate information in connection therewith.

2.10 There are or may in future be restrictions under Applicable S&E Law on the Pool Members' ability to resell the Securities and it is the responsibility of each Pool Member to find out what those restrictions are and to comply with any relevant restrictions before selling any of the Securities.

2.11 Tembo Gold has advised the Pool Members that no prospectus or other offering document has been filed by Tembo Gold with a securities commission or other securities regulatory authority in any jurisdiction in or outside of Canada in connection with the issuance of the Subscription Units, and the sale and delivery of the Subscription Units to the Pool Members is conditional upon such sale being exempt from the requirement to file a prospectus or registration statement or to prepare and deliver an offering memorandum or similar document under any applicable statute relating to the sale of the Subscription Units or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or preparing and delivering an offering memorandum or similar document. As a result, in connection with its purchase of the Subscription Units hereunder, as applicable:

2.11.1 The Pool Members are restricted from using certain of the protections, rights and remedies available under applicable securities laws including, without limitation, statutory rights of rescission or damages;

- 2.11.2 The Pool Members will not receive information that may otherwise be required to be provided to the Pool Members under Applicable Securities Laws or contained in a prospectus prepared in accordance with applicable securities laws;
- 2.11.3 Tembo Gold is relieved from certain obligations that would otherwise apply under such Applicable Securities Laws; and
- 2.11.4 there are restrictions on the Pool Members ability to resell the securities and it is the responsibility of the Pool Members to determine these restrictions and to comply with them before selling the securities.
- 2.12 The Pool Members further acknowledge and agree that Tembo Gold may be required to provide applicable securities regulatory authorities with a list setting forth the identities of the Beneficial Purchasers of the Units and that the Pool Members will provide, on request, particulars as to the identity of such beneficial purchasers as may be required by Tembo Gold in order to comply with the foregoing.
- 2.13 The Subscription Units are being offered for sale only on a "private placement" basis.
- 2.14 The Pool Members are aware that (i) Tembo Gold may complete additional financings in the future in order to develop Tembo Gold's business and to fund its ongoing development, (ii) there is no assurance that such financings will be available and, if available, on reasonable terms, (iii) any such future financings may have a dilutive effect on Tembo Gold's securityholders, including to the extent not provided for in this Agreement, and (iv) if such future financings are not available, Tembo Gold may be unable to fund its on-going development and the lack of capital resources may result in the failure of Tembo Gold's business.
- 2.15 The representations, warranties, covenants and acknowledgements of the Pool Members contained in this Agreement, and in any of the schedule or other documents or materials executed and delivered by the Pool Members hereunder, are made by the Pool Members with the intent that they may be relied upon by Tembo Gold and its professional advisors in determining the Pool Members' eligibility to purchase the Subscription Units. The Pool Members further agree

that by accepting the securities they shall be representing and warranting that the representations, warranties, covenants, acknowledgements and agreements contained in the Agreement, and in any of the schedule or other documents or materials executed and delivered by the Pool Members are true as at the Closing Date with the same force and effect as if they had been made by the Pool Members at the Closing Date and that they shall survive the purchase by the Pool Members of the Securities and shall continue in full force and effect notwithstanding any subsequent disposition by the Pool Members of the Securities. The Pool Members hereby agree to indemnify and save harmless Tembo Gold and its directors, officers, employees, advisors, affiliates, shareholders and agents, and its counsel, against all losses, claims, costs, expenses and damages or liabilities (including, but not limited to, any and all fees, costs and expenses reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) which any of them may suffer or incur and which are caused by or arise from any inaccuracy in, breach or misrepresentation by the Pool Members of, any such representations, warranties and covenants. The Pool Members undertake to immediately notify Tembo Gold of any change in any statement or other information relating to the Pool Members and, if applicable, each principal for whom the Pool Members are contracting set forth herein that takes place prior to the Closing Date. To the extent that any person entitled to be indemnified hereunder is not a party to this Agreement, the Pool Members shall obtain and hold the rights and benefits of this Agreement in trust for, and on behalf of, such person and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this Agreement.

3. Acknowledgements regarding resale restrictions and legending of Securities

- 3.1 The Pool Members's ability to transfer the Subscription Units, Unit Shares and Warrants issued on conversion of the Subscription Units and Common Shares issued on the exercise of the Warrants is limited by, among other things, the Securities Laws and the policies of the TSXV. In particular, the Pool Members acknowledge having been informed that the Subscription Units, Unit Shares and Warrants issued on conversion of the Subscription Units, and any Common Shares issued on the exercise of the Warrants, are subject to resale restrictions

under National Instrument 45-102 *Resale of Securities* ("NI 45-102") and may not be sold or otherwise disposed of in Canada for a period of four months and one day from the date of distribution of the Subscription Units, unless a statutory exemption is available or a discretionary order is obtained from the applicable Securities Commission allowing the earlier resale thereof, and may be subject to additional resale restrictions if such sale or other disposition would be a "control distribution", as that term is defined in NI 45-102. If the Pool Members are not resident in Canada, additional resale restrictions may apply under the Other Applicable Securities Laws. In addition, the policies of the TSXV may require that the Subscription Units, Unit Shares and Warrants issued on conversion of the Subscription Units and any Common Shares issued upon exercise of the Warrants, not be sold or otherwise disposed of for a period of four months and one day from the Closing Date.

- 3.2 The Pool Members acknowledge that legends will be endorsed on the certificates representing the Subscription Units, and, if any Unit Shares and Warrants are issued and, if any Warrants are exercised prior to the expiry of the statutory or TSXV imposed resale restrictions, legends will be endorsed on the certificates representing the securities, to the effect that the securities represented thereby are subject to a hold period and may not be traded until the expiry thereof except as permitted by applicable securities legislation and the policies of the TSXV. In particular, if required, the Pool Members acknowledge that the certificates representing the Subscription Units, and, if any Unit Shares and Warrants are issued and, if any Warrants are exercised prior to the expiry of the statutory or TSXV imposed resale restrictions, the securities issued shall bear legends substantially in the following form and with the information completed:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE CLOSING DATE.]"

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSXV VENTURE EXCHANGE INC. AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE [for Warrant certificates add, AND THE SECURITIES UNDERLYING THESE SECURITIES] MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSXV VENTURE EXCHANGE OR OTHERWISE IN CANADA

OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT
UNTIL [INSERT THE DATE THAT IS FOUR MONTHS AND ONE
DAY AFTER THE FIRST CLOSING DATE.]"

- 3.3 The Pool Member acknowledge that the securities have not been registered under the US *Securities Act* or the securities laws of any State of the United States and that Tembo Gold does not intend to register any of the securities under the US *Securities Act*, or the securities laws of any State of the United States and has no obligation to do so. The securities may not be offered or sold in the United States unless registered in accordance with United States federal securities laws and all applicable state securities laws or exemptions from such requirements are available. The Pool Members acknowledge that Tembo Gold will not register any transfer of any of the securities not made in accordance with Regulation S or pursuant to an available exemption from registration.
- 3.4 The Pool Members acknowledge that each Subscription Unit, Unit Share and Warrant certificate issued to a U.S. Person or a person in the United States shall bear a legend stating that the Subscription Units, Unit Shares, Warrant and the Common Shares issued on the exercise of the Warrants have not been registered under the US *Securities Act* and that the Warrant may not be exercised by or on behalf of any U.S. Person or a person in the United States unless registered under the US *Securities Act* or an exemption from such registration is available.
- 3.5 The Pool Members acknowledge that Tembo Gold bears no responsibility for the removal of resale restrictions or legends on securities and that the responsibility for compliance and cost with such restrictions or the removal of legends is to be borne by the purchaser and not Tembo Gold.

Schedule "G"

Form of the Annual Revenue Disclosure

(Specify currency if not CDN\$)

Type of Payment	National Government	Local Government (insert further columns when more than one region/province/state are involved)	Total
Royalties			
Licence Payments and Fees (other than routine nominal administrative fees)			
Profits/Income Tax			
Other fiscal benefits to government (specify)			
Totals			

Schedule "H"

Warranties and representations by Tembo Gold

Tembo Gold warrants and represents to each of the Pool Members that:

1. authority

1.1 the directors of Tembo Gold shall have passed resolutions authorising and/or ratifying the entering into and implementation by Tembo Gold of this Agreement, in an Agreed Form, in respect of the Subscription for the Subscription Units and related rights and obligations hereunder in respect of the Subscription, and, upon such issue, the Pool Members shall be the sole registered and beneficial holder of the Subscription Units to the exclusion of all others, free from all Encumbrances;

1.2 Tembo Gold has the corporate power and authority to enter into this Agreement and to perform the transactions contemplated hereby, including the issuance and sale by Tembo Gold of the Subscription Units, and this Agreement has been duly executed and delivered by Tembo Gold and this Agreement is, and will upon execution and delivery in accordance with the terms hereof be, a valid and binding obligation of Tembo Gold enforceable against Tembo Gold in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement as may be limited by applicable law;

2. company information

2.1 Tembo Gold has no material subsidiaries or affiliates other than the Subsidiaries listed in schedule "B" and the Subsidiaries are duly incorporated and validly existing and in good standing under the laws of their jurisdiction of incorporation and, to the knowledge of Tembo Gold, no proceedings have been instituted or are pending for the dissolution or liquidation or winding-up of the Subsidiaries;

- 2.2 no person has any right to obtain an order for the rectification of the register of shareholders of Tembo Gold or its Subsidiaries which would increase the issued share capital of Tembo Gold or the Subsidiaries;
- 2.3 the directors and officers of Tembo Gold and its Subsidiaries are as disclosed in schedule "B";

3. **capital structure**

- 3.1 the authorised capital of Tembo Gold consists of an unlimited number of Common Shares, of which, as of the close of business on November 20, 2013, 49,586,213 Common Shares were issued and outstanding as fully paid and non-assessable and, other than the Pool Members and as indicated in this Agreement and the Disclosure Letter, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of Tembo Gold or any other security convertible into or exchangeable for any such shares, or to require Tembo Gold to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital other than options to purchase up to 3,904,000 Common Shares and warrants to purchase up to 11,365,621 Common Shares as set out in Schedule "B" to this Agreement;
- 3.2 the shares of the Subsidiaries are owned by Tembo Gold as set forth in schedule "B" hereto, free and clear of all liens, charges and Encumbrances of any kind whatsoever;
- 3.3 the Unit Shares and the Common Shares issued on the exercise of the Warrants shall, upon issue, rank *pari passu* in every respect with all of the other issued Common Shares;
- 3.4 other than as contemplated in this Agreement, Tembo Gold is not a party to any agreement, nor is Tembo Gold aware of any agreement, which in any manner affects the voting control of any of the securities of Tembo Gold;
- 3.5 Tembo Gold and each of its Subsidiaries are not obliged nor have any resolutions been passed to alter any of the rights attaching to any of the shares in the capital of Tembo Gold or any of its Subsidiaries or to alter any of their constitutional documents (including in the case of Tembo Gold its articles of incorporation);

4. taxes

4.1 all taxes (including without limitation income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs duties and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto due and payable or required to be collected or withheld and remitted, by Tembo Gold have been paid, collected or withheld and remitted as applicable. All tax returns, declarations, remittances and filings required to be filed by Tembo Gold have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading or result in an adverse material change to Tembo Gold. No examination of any tax return of Tembo Gold is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by Tembo Gold. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to Tembo Gold;

4.2 Tembo Gold has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of Tembo Gold except for taxes not yet due, and there are no audits of any of the tax returns of Tembo Gold which are known by Tembo Gold's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency;

5. restrictions on business activities

5.1 each of Tembo Gold and the Subsidiaries has the corporate power and capacity to own the assets owned by it and to carry on the business carried on and proposed to be carried on by it, and each of Tembo Gold and the Subsidiaries holds all material Authorisations that are required for carrying on its business in the manner in which such business is being carried on and is duly qualified to

carry on business in the jurisdictions in which it carries on a material portion of its business;

5.2 Tembo Gold is not a party to nor bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Tembo Gold to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, Operations or condition of Tembo Gold or its Subsidiaries;

5.3 there is no judgment, order or decree restricting the business activities of Tembo Gold or its Subsidiaries;

6. **title to property rights**

6.1 the Property Rights are accurately described in Schedule "I" in all material respects and Tembo Gold is the beneficial owner of such Property Rights and the Property Rights are in good standing and are valid and enforceable and free and clear of any material liens, charges or Encumbrances;

6.2 no material property rights, easements, rights of way, access rights (including but not limited to any mineral, geothermal and water rights) other than the Property Rights are necessary for the conduct of the business of Tembo Gold and its Subsidiaries as currently being conducted, and there are no material restrictions on the ability of Tembo Gold or its Subsidiaries to use or otherwise exploit any such Property Rights;

6.3 any and all of the agreements and other documents and instruments pursuant to which Tembo Gold or Subsidiaries holds the Property Rights (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, Tembo Gold is not in default of any of the material provisions of any such agreements, documents or instruments, nor to the knowledge of Tembo Gold has any such default been alleged. None of the Property Rights (or any interest in, or right to earn an interest in, any property) of Tembo Gold are subject to any right of first refusal or purchase or acquisition rights;

6.4 Tembo Gold is not a party to nor bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Tembo Gold to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Tembo Gold other than its listing agreement with the TSXV;

7. disclosure

7.1 to the best knowledge of Tembo Gold, all facts and circumstances material to this transaction, or which would be material or would be reasonably likely to be material to a purchaser of the Subscription Units and to the Subscription Consideration, have been disclosed in the Public Disclosure Documents or to the Pool Members in the Disclosure Letter;

7.2 to the best knowledge of Tembo Gold, all information given by Tembo Gold or its representatives to the Pool Members or their representatives, relating to the business, activities, affairs, assets or liabilities of Tembo Gold, or to the Subscription Units, was (when given) and is accurate, complete and comprehensive in all material respects;

7.3 other than as disclosed in the Disclosure Letter, there has been no material change in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Tembo Gold, since 31 December 2012, and the business of Tembo Gold has been carried on in the usual and ordinary course consistent with past practice since 31 December 2012, to the extent that such past practice is consistent with the current business direction of Tembo Gold;

8. financial statements

8.1 the audited financial statements of Tembo Gold as at and for the year ended 31 December 2012 and the notes thereto, the Condensed Consolidated Interim Financial Statements released by Tembo Gold on 30 June 2013 and notes thereto, have been prepared in accordance with International Financial Reporting Standards consistently applied throughout the periods referred to therein, are true and correct in all material respects and present fairly and accurately the financial position (including the assets and liabilities, whether absolute,

contingent or otherwise) of Tembo Gold as at such dates and results of operations of Tembo Gold for the periods then ended, and there has been no changes in the accounting policies or practice of Tembo Gold since 31 December 2012;

8.2 the auditors of Tembo Gold who audited the financial statements of Tembo Gold for the year ended 31 December 2012 and who provided their audit report thereon are independent public accountants as required under Securities Laws;

8.3 since 31 December 2012, there has not been a "reportable event" (within the meaning of National Instrument 51-102) with the present or former auditors of Tembo Gold;

9. **legal proceedings**

9.1 other than as disclosed in Disclosure Letter, there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or pending, threatened against or affecting Tembo Gold or the Subsidiaries, or their respective directors or officers at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever and there is no basis therefor;

9.2 no legal or governmental proceedings are pending to which Tembo Gold or any of its Subsidiaries is a party or to which their property is subject that would, if adversely decided, result individually or in the aggregate in any adverse material change to Tembo Gold and, to the best knowledge of Tembo Gold, no such proceedings have been threatened against or are contemplated with respect to Tembo Gold or its properties;

9.3 to the best knowledge of Tembo Gold, Tembo Gold is not aware of any criminal proceedings being threatened or instituted against Tembo Gold or its Subsidiaries or of any fact, matter or circumstance which is likely to or might give rise to such criminal proceedings;

9.4 no proceedings have been taken, instituted or, to the best knowledge of Tembo Gold, are pending for the dissolution or liquidation of Tembo Gold or any of its Subsidiaries;

10. **environment**

to the best knowledge of Tembo Gold there are no material social or environmental risks or issues in respect of the operations of Tembo Gold or its Subsidiaries, other than as identified in the Action Plan prepared by Tembo Gold, and Tembo Gold has not received notice of a claim or threat of a claim concerning the failure of its operations to comply with any matter covered by the IFC Performance Standards which has or could be expected to have a Material Adverse Effect or any material impact on the Operations;

11. **compliance with law**

11.1 to the best knowledge of Tembo Gold, each of Tembo Gold and its Subsidiaries has conducted, and is conducting, its business in material compliance with all applicable Laws of each jurisdiction in which it carries on business (including all applicable federal, provincial, municipal and local environmental, antipollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body) and has not received a notice of non-compliance, nor know of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits;

11.2 all Operations of Tembo Gold have been conducted and are currently conducted in all material respects in accordance with good engineering practices and any applicable material workers' compensation, and health, safety and workplace laws, regulations and policies;

12. **sanctionable practices**

12.1 to the best knowledge of Tembo Gold, neither Tembo Gold nor any of its officers or other person acting on behalf of Tembo Gold has committed any Sanctionable Practice;

12.2 no part of the proceeds from the sale of the Subscription Units hereunder will be used, directly or indirectly, for any payments to any official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage;

12.3 the operations of Tembo Gold are and have been conducted at all times in all material respects in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-governmental authority involving Tembo Gold with respect to the Money Laundering Laws is pending or, to the best knowledge of Tembo Gold, threatened;

12.4 to the best knowledge of Tembo Gold, none of Tembo Gold, its Subsidiaries nor any of its employees or agents have made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian or provincial or state governmental officer or official, or other person charged with similar public or quasipublic duties, other than payments required or permitted by applicable laws;

13. **UN Security Council resolutions**

neither Tembo Gold nor any of the Subsidiaries has entered into any transaction or engaged in any activity prohibited by any resolution issued by the United Nations Security Council.

14. **Material Agreements**

Tembo Gold has disclosed to the Pool Members all Material Agreements and the transaction documents relating to the Operations in the Disclosure Letter. Neither Tembo Gold nor any of its Subsidiaries and, so far as Tembo Gold is aware, none of the counterparties to any of the Material Agreements are in default of the performance, observance or fulfilment of any of their respective obligations, covenants or conditions contained in such Material Agreements or transaction documents, and no Event of Default exist thereunder. So far as Tembo Gold is aware, no counterparty to any such Material Agreement or document has indicated any intention to terminate any such contract or document prior to the ordinary expiration of its term and there are no

disputes with any person in relation to the terms of any such Material Agreements or transaction document;

15. related party transactions

Tembo Gold has not concluded transactions involving Debt Instruments with any of its shareholders, officers, directors or employees, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act (Canada)*);

16. liabilities

16.1 none of Tembo Gold or its Subsidiaries has guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation whatsoever;

16.2 Tembo Gold is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument other than in the ordinary course of business;

16.3 there are no liabilities of Tembo Gold or the Subsidiaries, whether direct, indirect, contingent or otherwise, which has not been disclosed in the Disclosure Letter;

17. effect of Agreement

the execution and delivery of this Agreement and the performance by Tembo Gold of its obligations hereunder, the issue and sale of the Subscription Units hereunder and the consummation of the transactions contemplated hereby, including the issuance and delivery of the Unit Shares and the Warrants comprising the Subscription Units, the issuance and delivery of the Common Shares issued upon the exercise of the Warrants, respectively, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule or regulation applicable to Tembo Gold, including Other Applicable Securities Laws; (B) the constating documents or resolutions of Tembo Gold which are in effect at the date hereof; (C) any Debt Instrument, Material Agreement to which Tembo Gold is a party, mortgage, indenture, contract, agreement, instrument, lease or other document to which Tembo Gold is a party or by which it is bound; or (D) any judgment, decree or order binding Tembo Gold or the property or assets of Tembo Gold;

18. agent's fees and commission

18.1 other than the persons to be disclosed to the Pool Members in writing who are involved in the Concurrent Offering, there are no persons acting or purporting to act at the request of or on behalf of Tembo Gold, that are entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement;

18.2 other than Tembo Gold, there is no person that is or will be directly entitled to the proceeds from the sale of the Subscription Units pursuant to this Subscription under the terms of any Debt Instrument, Material Agreement, mortgage, indenture, contract, instrument, or lease agreement (written or unwritten);

19. dividends

19.1 Tembo Gold and each of its Subsidiaries has not declared or paid or undertaken to declare or pay any dividends or to make any other payments or distributions (including capitalisation or bonus issues, and distributions of any assets or property) to their shareholders in respect of any period of trading prior to the Signature Date which have not been paid in full and will not declare or pay or undertake to declare or pay any dividends or make any other payments or distributions (including of any assets or property) to their shareholders in the period between the Signature Date and the issue in full of the Units to the Pool Members under this Agreement;

19.2 there is not, in the constating documents nor in any Debt Instrument, Material Agreement, mortgage, indenture nor other instrument or document to which Tembo Gold is a party, any restriction upon or impediment to, the declaration or payment of cash dividends by the directors of Tembo Gold or the payment of cash dividends by Tembo Gold to the holders of the Common Shares;

19.3 no person has any right to participate in the profits (or portion of the profits) or to be paid any sum of money (or its equivalent) based on the earnings or profits (or portion thereof) of Tembo Gold other than Tembo Gold's shareholders pursuant to the Common Shares;

20. compliance with securities laws

- 20.1 at the Closing Date, all consents, approvals, permits, authorizations or filings as may be required under Other Applicable Securities Laws necessary for the execution and delivery of this Agreement and the issuance of the Unit Shares and the Warrants issued upon conversion of the Common Shares issued upon exercise of the Warrants and the consummation of the transactions contemplated hereby and thereby have been made or obtained, as applicable.
- 20.2 the Transfer Agent, at its principal office in the City of Calgary, Alberta has been duly appointed as transfer agent and registrar in respect of the Common Shares.
- 20.3 no order ceasing, halting or suspending trading in securities of Tembo Gold nor prohibiting the sale of such securities is outstanding against Tembo Gold's directors or officers and, to the knowledge of Tembo Gold, no investigations or proceedings for such purposes are pending or, to the best knowledge of Tembo Gold, threatened;
- 20.4 to the knowledge of Tembo Gold, there are no regulatory investigations commenced, pending or threatened against any of Tembo Gold's officers or directors and none of the officers or directors of Tembo Gold are now or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange which are not disclosed in the Public Disclosure Documents;
- 20.5 since 15 July 2011 Tembo Gold has duly filed with the applicable regulatory authorities in material compliance with Securities Laws, including timing requirements, all reports required by National Instrument 43-101 – *Status of Disclosure for Mineral Projects* ("**NI 43-101**"), and, to the best knowledge of Tembo Gold, all such reports materially comply with the requirements of NI 43-101;
- 20.6 to the best knowledge of Tembo Gold, Tembo Gold has complied and will comply fully with the requirements of all applicable corporate and Securities Laws and administrative policies and directions, in all material respects, including, without

limitation, the Other Applicable Securities Laws in relation to the issue and trading of its securities and in all matters relating to the Subscription;

20.7 Tembo Gold is a reporting issuer in the provinces of Ontario, Alberta and British Columbia and on the Closing Date will have been a reporting issuer in such provinces for at least four months. To the best knowledge of Tembo Gold, Tembo Gold is not currently in default of any requirement of the Securities Laws and Tembo Gold is not included on a list of defaulting reporting issuers maintained by any of the securities regulators of such jurisdictions;

20.8 since 15 July 2011 the Public Disclosure Documents contain no untrue statement of a material fact as at the date thereof nor do they omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made and were prepared in accordance with and comply with Securities Laws and Tembo Gold is not in default of its filings under, nor has it failed to file or publish any document required to be filed or published under Securities Laws, and Tembo Gold has not filed any confidential material change reports.

Schedule "I"

List of Property Rights

No.	APPL/ LICENCE NO.	REGISTERED OWNER	STATUS	GRANT DATE	EXPIRY DATE	DATE APPLIED	AREA km ²	APPL/OLD CODE	COMMENTS
1	PL 4506/2007	Bemuda Limited	Active	12-Jun-07		10-Jun-13	0.71445	HQ-G17704	
2	PL 4265/2006	Bemuda Limited	Active	29-Aug-06	28-Aug-13	28-Jul-11	2.02	HQ-G 17057	
3	PL 7704/2012	Bemuda Limited	Active	12-Mar-12	11-Mar-16	9-Aug-10	0.72	HQ-P22182	
4	PL 7705/2012	Bemuda Limited	Active	3-Feb-12	2-Feb-16	6-Jun-08	1.315	HQ-P18484	
5	PL 2678/2004	Bemuda Limited	Active	14-Sep-04	12-Sep-13		1.62	HQ-G16108	ML Application pending
6	PL 7826/2012	Bemuda Limited	Active	23-Apr-12	22-Apr-16	10-Apr-08	2.13	HQ-P18061	
7	PL 7821/2012	Bemuda Limited	Active	23-Apr-12	22-Apr-16	15-Feb-10	0.55	HQ-P21324	
8	PL 7818/2012	Bemuda Limited	Active	23-Apr-12	22-Apr-16	4-Aug-11	0.77	HQ-P21526	
9	PL 7820/2012	Bemuda Limited	Active	23-Apr-12	22-Apr-16	26-Oct-10	1.54	HQ-P22711	
10	HQ-P26072	Tembo Gold(T)Limited	Application-Mining Licence			27-Jun-12	0.93	PL 2296/2003	
11	PL 4080/2007	Lakota Mining Company Ltd	Active	15-Feb-07	14-Feb-15	14-Jan-13	0.55	HQ-G17616	
12	PL 7733/2012	Tembo Gold(T)Limited	Active	2-Mar-12	1-Mar-16	16-Dec-11	0.85	HQ-P24977	
13	PL 7816/2012	Tembo Gold(T)Limited	Active	8-May-12	7-May-16	16-Jun-08	0.44	HQ-P18554	
14	HQ-P27347	Tembo Gold(T)Limited	Application			3-Jun-13	12.79	HQ-P21581	Pending Application
15	PL 7817/2012	Tembo Gold(T)Limited	Active	8-May-12	7-May-16	4-Oct-10	1.15	HQ-P22523	
16	QH-P25838	Tembo Gold(T)Limited	Application			15-May-12	0.147	QH-P25838	Pending Application
17	PL 7815/2012	Mineral Products Limited	Active	3-Apr-12	2-Apr-16	24-May-10	3.15	HQ-P21763	
18	PL 7422/2011	Mwamba Resources Limited	Active	6-Dec-11	5-Dec-15	28-Jan-08	1.49	HQ-P17614	
19	HQ-P21553	Tembo Gold(T)Limited	Tender successful			12-Apr-10	2	HQ-P25570	Licence awaited
20	PL 4215/2007	Mwamba Resources Limited	Active	7-Apr-07	6-Apr-15	7-Apr-13	0.72	HQ-G17635	
21	PL 4288/2007	Mwamba Resources Limited	Active	16-Apr-07	15-Apr-14	15-Apr-10	7.44	HQ-G17281	
22	PL 4457/2007	Mwamba Resources Limited	Active	24-May-07	23-May-15	24-May-13	3.1	HQ-G17698	

No.	APPL/ LICENCE NO.	REGISTERED OWNER	STATUS	GRANT DATE	EXPIRY DATE	DATE APPLIED	AREA km ²	APPL/OLD CODE	COMMENTS
23	HQ-P25844	Mwamba Resources Limited	Application			16-May-12	0.4	HQ-P25844	New Application
24	PL4576/2007	Mwamba Resources Limited	Active	24-May-07	6-Aug-13	9-Jul-13	1	HQ-G17765	
25	PL 4807/2007	Mwamba Resources Limited	Active	26-Oct-07	25-Oct-13	25-Oct-10	1.31	HP-G16714	
26	PL 4810/2007	Mwamba Resources Limited	Active	26-Oct-07	25-Oct-13	25-Oct-10	1.48	HQ-G16715	
27	PL 5670/2009	Mwamba Resources Limited	Active	19-Mar-09	18-Mar-15		3.12	HQ-G17252	
28	PL 7028/2011	Mwamba Resources Limited	Active	21-Apr-11	20-Apr-15	11-Mar-08	10.36	HQ-P17934	
29	PL 7547/2012	Mwamba Resources Limited	Active	15-Jan-12	14-Jan-16	3-Oct-08	1.18	HQ-P19257	
30	PL 7537/2011	Mwamba Resources Limited	Active	6-Jan-12	5-Jan-16	14-Sep-07	3.13	HQ-P16578	
31	PL 7182/2011	Mwamba Resources Limited	Active	6-Dec-11	5-Dec-15	14-Sep-09	1.3	HQ-P20744	
32	PL 8119/2012	Mwamba Resources Limited	Active	11-Jul-12	10-Jul-16	14-Jun-10	0.69	HQ-P21846	
33	PL 7822/2012	Mwamba Resources Limited	Active	8-May-12	7-May-16	31-Aug-09	1.86	HQ-P 20706	
34	PL 7824/2012	Mwamba Resources Limited	Active	25-May-12	24-May-16	31-Oct-08	1.515	HQ-P19447	
35	PL 7825/2012	Mwamba Resources Limited	Active	8-May-12	7-May-16	27-Jun-08	12.79	HQ-P18695	
36	PL 7849/2012	Nyati Resources(T)Limited	Active	4-Apr-12	3-Apr-16	16-Dec-11	11.06	HQ-P24978	To be transferred
37	PL 7546/2012	Nyati Resources(T)Limited	Active	16-Jan-12	15-Jan-16	11-Mar-10	10.34	HQ-P21396	To be transferred
38	PL 7776/2012	Shakaas Mining Limited	Active	3-Apr-12	2-Apr-16	10-Nov-08	3.1	HQ-P19505	To be transferred

Schedule "J"

Sanctionable Practices

ANTI-CORRUPTION GUIDELINES FOR IFC TRANSACTIONS

The purpose of these Guidelines is to clarify the meaning of the terms "Corrupt Practices", "Fraudulent Practices", "Coercive Practices", "Collusive Practices" and "Obstructive Practices" in the context of International Finance Corporation ("IFC") operations.

1. CORRUPT PRACTICES

A "Corrupt Practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

INTERPRETATION

- A. Corrupt practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery) to violate or derogate a duty owed by the recipient in order for the payor to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of corrupt practices.
- B. It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payor's books and records. Similarly, an investor will not be held liable for corrupt or fraudulent practices committed by entities that administer bona fide social development funds or charitable contributions.
- C. In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally-accepted industry standards shall not constitute corrupt practices unless the action violates applicable law.
- D. Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.
- E. The World Bank Group does not condone facilitation payments. For the purposes of implementation, the interpretation of "Corrupt Practices" relating to facilitation payments will take into account relevant law and international conventions pertaining to corruption.

2. FRAUDULENT PRACTICES

A "Fraudulent Practice" is any action or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial benefit or to avoid an obligation.

INTERPRETATION

- A. An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a "Fraudulent Practice" for purposes of this Agreement.
- B. Fraudulent Practices are intended to cover actions or omissions that are directed to or against a World Bank Group entity. It also covers Fraudulent Practices directed to or against a World Bank Group member country in connection with the award or implementation of a government contract or concession in a project financed by the World Bank Group. Frauds on other third parties are not condoned but are not specifically sanctioned in IFC, MIGA, or PRG operations. Similarly, other illegal behaviour is not condoned, but will not be considered as a Fraudulent Practice for purposes of this Agreement.

3. COERCIVE PRACTICES

A "Coercive Practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

INTERPRETATION

- A. Coercive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.
- B. Coercive Practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation.

4. COLLUSIVE PRACTICES

A "Collusive Practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

INTERPRETATION

Collusive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

5. OBSTRUCTIVE PRACTICES

An "Obstructive Practice" is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of IFC's access to contractually required information in connection with a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice.

INTERPRETATION

Any action legally or otherwise properly taken by a party to maintain or preserve its regulatory, legal or constitutional rights such as the attorney-client privilege, regardless of whether such action had the effect of impeding an investigation, does not constitute an Obstructive Practice.

GENERAL INTERPRETATION

A person should not be liable for actions taken by unrelated third parties unless the first party participated in the prohibited act in question.