

STAMP DUTY

**LEASE***For Mining (Surface) Lease***iTaukei Land Trust (Leases and Licences) Regulations-1984**

S2015-11641/1/Ca

Date Stamped: 24/6/2015

Duty Paid \$5.00

Copy Original Stamped With \$1,000.00

Commissioner of Stamp Duties

**THIS LEASE** made the

24th

day of

June

2015

**BETWEEN THE iTAUKEI LAND TRUST BOARD of 431 Victoria Parade, Suva, (hereinafter called "the lessor") of the one part and LION ONE LIMITED a Limited Liability Company registered Under the Company's Act having it's registered office at Legalega Subdivision, Waimalika, Nadi (hereinafter called "the lessee") of the other part ;**

**WITNESSETH** as follows:

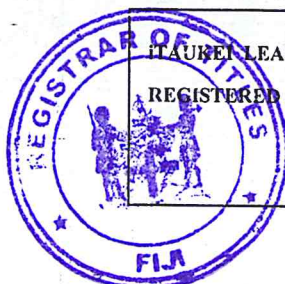
1. IN CONSIDERATION of the premium and covenants on the part of the lessee hereinafter reserved and contained and in consideration of the sum of **\$1,000,000.00 (One Million Dollars)** to be paid in two tranches (**\$700,000.00** when the surface lease is granted and **\$300,000.00**, paid in accordance with Special Condition 1(b) of this paid by the lessee to the lessor on or before the execution hereof the receipt whereof the lessor hereby acknowledges the lessor hereby demises unto the lessee ALL THAT PIECE OR PARCEL OF LAND described as follows

| Name of Land                    | Tikina            | Province | Area        |
|---------------------------------|-------------------|----------|-------------|
| BEBE (PART OF) LOT 1 ON SO.6940 | SABETO/<br>VATURU | BA       | 371.6867 ha |

owned by the **Tokatoka Nacokula Mataqali Nacokula (231.6867 Ha) Tokatoka Vatukarasa Mataqali Nabouwalu (37 ha), Tokatoka Nabouwalu Mataqali Nabouwalu (23 Ha), Yavusa Rarawaqa (78 Ha)** (hereinafter called "the landowning unit") be the area a little more or less and contained within the boundaries more particularly delineated and marked on the plan hereto annexed and edged yellow (hereinafter called "the land") EXCEPTING AND RESERVING all the matters contained in the First Schedule hereto TO HOLD the same unto the lessee from the **first day of March, 2014** for the term of **Twenty One ( 21 ) years** YIELDING AND PAYING therefore unto the lessor the yearly rent of **\$30,000.00 (Thirty Thousand Dollars)** half yearly in advance on the first days of January and July in every year subject to a 5 (Five) yearly reassessment as hereinafter provided.

2. **THE LESSEE HEREBY COVENANTS WITH THE LESSOR** as follows:

- (a) To obtain all statutory permissions, consents, approvals and licences from any relevant Government Department or Local Authority for any use or development which the lessee proposes to carry out on the land and to duly and punctually comply with each and every term or condition of all such statutory permissions, consents approvals and licences so obtained and to produce copies of such statutory permissions, consents, approvals and licences to the lessor if required to do so at any time.
- (b) The tenant shall pay a yearly Lease Administration fee of **\$57.50 (Fifty-seven dollars fifty cents)** or such amount as may be assessed by the Board thereafter. Such fee shall be paid half yearly in advance on the first days of January and July in every year.
- (c) Duly and punctually to comply with all Acts, Regulations and By-Laws and all such lawful requirements of the health, local and other authorities relating to the land and/or the improvements thereon.
- (c) To bear pay and discharged all existing and future rates taxes or assessments duties impositions and outgoings whatsoever imposed or charged upon the land and premises or upon the owner or occupier thereof.
- (d) Not to do permit in connection with the land anything in contravention of any written law.
- (e) To indemnify the lessor against all claims, demands, expenses and liabilities in connection with the



iTaukei Lease No.

32273

REGISTERED

20 JUL 2015

at

11.35 AM

Registrar of Titles

land to pay the costs charges and expenses incurred by the lessor in abating a nuisance or for remedying any other matter in connection with the land in compliance with any requirements imposed by or under any written law

- (f) To permit the lessor or its employees or agents at all reasonable times to enter upon the land and into any buildings thereon in order to view the state thereof. The lessor, its employees and or agents will at all times comply with safety and operational requirements in place within the lease and will follow directions by the lessee, its employees or agents in relation to these matters while on the lease.
- (g) To keep in good and tenable repair all buildings together with all fixture and fittings and all drains, sewers, gullies, cess-pits, septic tanks, soak-aways, water supply piping, wells, tanks, reservoirs, ponds, pumps, fences, walls, hedges, gates, posts, bridges, culverts, water courses, ditches, roads and yards in and upon the land and to maintain in good order all boundary markers.
- (h) Not to alienate or deal with the land or any part thereof by way of sale, transfer or sub-lease in any other manner whatsoever without the consent in writing of the lessor first had and obtained.
- (i) To give first preference to the members of the landowning unit for all unskilled employment in connection with the mining operation provided that such persons shall satisfy the normal requirements of the posts offered and they shall be subject to all normal rules of employment prevailing in the mining operation.
- (j) To use its best endeavours to promote the training of members of the landowning unit who are employed by the lessee in all aspects of mining operation in connection with the mining and its ancillary operations as the lessee shall consider them suitable or qualified to undertake.
- (k) To ensure that all mataqali boundary markers (mounds/pegs) if removed or destroyed in the mining operation are to be reinstated in accordance with the iTaukei Lands & Fisheries Commission's and the Fiji Survey Regulation's requirements.
- (l) The lessee does not claim title over any merchantable timber within the leased area, except for any timber planted by the lessee whether for environmental works or not.
- (m) In harvesting any timber from within this lease, the operator undertaking the harvesting shall comply with all environmental and safety directions made by the lessee, its employees or agents.
- (n) The lessee will not be held liable in any way for damages, compensation or other liabilities that may arise during, or as a consequence of harvesting timber within the lease by any other party.

3.

**THE LESSOR HEREBY COVENANTS WITH THE LESSEE** that the lessee paying the rent and compensation hereby reserved and performing and observing the covenants on the lessee's part herein contained the lessee may peaceably hold and enjoy the land during the said term without any interruption by the lessor or any person or persons lawfully claiming through under or in trust for the lessor except as otherwise provided herein.

4.

**PROVIDED ALWAYS** and it is hereby agreed and declared as follows:

- (a) That if and whenever during the term of the lease-
  - (i) there shall be any breach, non-performance or non-observance of any of the covenants on the part of the lessee herein contained or implied by virtue of the iTaukei Land Trust (Leases and Licences) Regulations 1984;
  - (ii) the lessee, being an individual, shall become bankrupt or, being a company, shall enter into compulsory or voluntary liquidation (save for the purpose of amalgamation or reconstruction of a solvent company);
  - (iii) a receiver of the lessee shall be appointed or the lessee shall enter into any composition or arrangement with the lessee's creditors; or
  - (iv) the lessee shall suffer any distress or execution to be levied on his goods; then, and in any such case, it shall be lawful for the lessor at any time thereafter, and notwithstanding the waiver by the lessor of any previous right of re-entry, to enter into and upon the land or any part thereof in the name of the whole and thereupon this demise shall absolutely cease and determine, but without prejudice to any rights or remedies which may have accrued to the lessor against the lessee or to the lessee against the lessor in respect of any antecedent breach of any of the covenants herein contained.
- (b) That this lease may be terminated by the lessor in accordance with the provisions of Regulation 15 of the iTaukei Land Trust (Leases and Licences) Regulations 1984 as set out in the Second Schedule hereto.
- (c) In the event that the lessee by virtue of an Act of God is prevented from adhering to any time limit contained herein and provided that the lessee has served notice in writing on the lessor specifying the cause of the prevention within three (3) months of the occurrence of such cause and provided further that the lessee has complied with all the covenants and agreements herein contained the lessor will grant the lessee a reasonable extension of time limit.
- (d) If at any time hereafter any dispute, doubt or question shall arise between the lessor on the one part and the lessee on the other part touching the construction meaning or effect of any clause, condition or thing herein contained or implied or the rights or liabilities arising hereunder or the performance or non-performance of any act or obligation hereunder or the performance or non-performance of any act or obligation hereunder by the lessee or by the lessor or obligation

hereunder by the lessee or the lessor then every such dispute, doubt or question shall be referred to the arbitration of a single arbitrator, or if the parties are unable to agree upon a single arbitrator two arbitrators and their umpires. In case of disagreement, one of such arbitrators to be appointed by each party and otherwise in accordance with the provisions of the Arbitration Act Chapter 28 or any statutory or other modification for the time being in force.

- (e) All payments due to the lessor hereunder shall be made at the iTaukei Land Trust Board, 431 Victoria Parade, Suva, which shall be the address for the service of notices to the lessor.
- (f) The address for service of Notices on the lessee shall be at its registered office.
- (g) All costs and fees including stamp duty, registration fees and lessors solicitors costs reasonably and properly incurred in connection with the preparations of this lease shall be paid by the lessee.
- (h) This lease shall be governed, construed and interpreted in accordance with the Laws of Fiji from time to time in force.
- (i) That the lessor may by six (6) months notice in writing resume possession without compensation of any part of the land which the lessor deems necessary for the making of a road or way to enable the development of any other land but so that the land so resumed shall not exceed one-twentieth part of the whole of the land and shall not be land upon which any building has been erected or which is used as a garden for the better enjoyment of such building.
- (j) Regulation 13 of the iTaukei Land Trust (Leases and Licences) Regulations 1984 shall not apply in relation to this lease.
- (k) That in this lease, except where a contrary intention appears, words and expressions in the singular include the plural and words and expressions in the plural include the singular.
- (l) The lessee shall comply with the Environment Management Act 2005 and the Mining Act Cap. 146.

### FIRST SCHEDULE (Matters Excepted and Reserved)

- (a) Unto the lessor all timber and timberlike trees sand gravel common stone limestone coral and clay under the land together with full power for the persons entitled to such things to work and get same either by entry on the surface or by underground workings and unto the State the minerals as defined in the Mining Act (Cap.146) and mineral oil.
- (b) Unto the lessor the right and unto all other persons granted by the lessor a similar right as well before as after the commencement of this lease in common with lessee his servants and licensees full right and liberty from time to time and at all times and for all purpose to pass and repass with or without vehicles or animals over and along the road or way coloured brown on the plan hereto annexed.
- (c) Unto the lessor its employees or agents or any other person authorised full right and liberty from time to time and all times to enter with or without vehicles upon any electricity reserve affecting the land for the purposes of inspecting repairing renewing or erecting any pole tower pylon cable or other appliance attached thereto.

### SECOND SCHEDULE (Regulation 15, iTaukei Land Trust (leases and Licences) Regulations 1984)

- (1) It shall be implied in every lease of iTaukei land commencing on or after the commencement of these Regulations that where the land demised is required by the Board for development (whether by the Board or otherwise) involving any use of the land, in whole or in part, which is materially different from the purpose for which the land was demised and in respect of which permission has been granted under the Town Planning Act, the Board may terminate the lease and resume possession of the land on the 30<sup>th</sup> day of June or the 31<sup>st</sup> day of December in any year during the term of the lease by notice in writing served on the lessee not later than one year before the date on which the Board desires to resume possession of the land, without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of covenant.
- (2) If, on the termination of lease of iTaukei land in pursuance of paragraph (1), the lessee shall have paid the rent thereby reserved and payable and shall have reasonably performed and observed the terms, conditions and covenants therein contained, the lessee shall be paid entitled to be paid by the Board by way of compensation --
  - (a) such sum as might reasonably be expected to be obtained in the open market by a willing seller from a willing purchaser in consideration for the transfer of the lease as at the date of resumption of possession by the Board and as if the notice referred to in paragraph (1) had not been served (any improvements to the land executed after the date of such notice being disregarded); and
  - (b) such sum as represents the total amount of the unavoidable other loss incurred by the lessee in consequence of the exercise by the Board of its powers under this regulation, including, in particular, but without prejudice to the generality of the foregoing--
    - (i) loss or expenses incurred by the lessee in respect of the removal or sale of his household goods, chattels or livestock on, or used in connection with, the demised land and in respect of his re-establishment in a comparable property in Fiji;
    - (ii) the loss of the goodwill suffered by any business carried on by the lessee from or on the demised by reason of the transfer or closure of that business resulting from the lessee's quitting of the demised land; and
    - (iii) expenses incurred in respect of legal and other professional services in connection with the preparation of the lessee's claim for compensation hereunder (not being costs of any arbitration to determine any question arising under this regulation) ; and,

- (c) the full amount of any compensation payable by the lessee to any sub-lessee of the demise land or any part thereof in pursuance of paragraph (3) .
- (3) Where a lease of iTaukei land has been terminated in pursuance of paragraph (1) and the demised land or any part thereof was at the date on which the lease was so terminated in the possession of a sub-lessee with the written consent of the Board, the lessee shall be liable to pay to the sub-lessee such sum as the Board would have liable to pay to the sub-lessee under sub-paragraph (a) and (b) of paragraph (2) had the sub-lessee been the lessee of that land or part thereof .
- (4) The right of the Board to terminate a lease by virtue of the condition implied therein by paragraph (1) shall also be exercisable in respect of part only of the demised land as if any reference in the foregoing provisions of this regulation to the demised land included a reference to a part thereof; and in the event of such right being exercised in relation to part only of the demised land the lessee shall be entitled --
- (a) to a reduction of the rent in such amount as shall agreed by the parties or, should they fail to agree, by such amount as shall be settled by arbitration in pursuance of regulation 21; or
- (b) subject to the provisions of paragraph (5) , to surrender the remainder of the demised land, in which case the provisions of paragraphs (2) and (3) shall have effect as if such as aforesaid had been exercised in relation to the whole of the demised land.
- (5) Sub-paragraph (b) of paragraph (4) shall not apply where the Board has served notice to resume possession of part of any demised land in pursuance of that paragraph and that part of that land is less than one-quarter of the size of the whole of that land unless, by reason of the severance of that part, the remainder of the demised land is no longer suitable for the purpose for which it was demised to the lessee.

### **SPECIAL CONDITIONS**

1. The Lessor and the Lessee, agree and declare:

- (a) That fair compensation as agreed to by the Lessor and Lessee has been paid to the Lessor in accordance with the provisions of the iTaukei Land Trust Act (Cap 134).
- (b) A sum of \$300,000.00 (Three Hundred Thousand Dollars) shall be paid by the lessee as Premium to the Lessor on the first gold production from the mining operation.
- (c) A sum of \$10,000.00 (Ten Thousand Dollars) per annum shall be equally shared to Yavusa Rarawaqa, Mataqali Nabouwalu, Nagado Village and Korobebe Village as Training Assistance and shall be distributed to bank accounts registered with the lessor.
- (d) A sum of \$20,000.00 (Twenty Thousand Dollars) shall be paid by the lessee annually as Community Development Assistance to Korobebe and Nagado Village
- (e) That if a new legislation or amendment to an existing written law affecting iTaukei lands or the lands in Fiji generally that recognizes the concept of "*Intangible Values*" as a legally recognized valuation principle that are applicable to lands in Fiji, such principle shall also apply to this lease notwithstanding (a) above: Provided --
- (i) that the Lessor and Lessee agree on the application of such valuation principle and the quantum of such additional compensation (if any) arising from its application in addition to compensation already paid by the Lessee under (a) above, to be paid to the Lessor by the Lessee;
- (ii) that if the Lessor and the Lessee do not agree on the matters covered in (i) above, that the matter be referred to mediation and/or arbitration as appropriate: Provided also that in considering the quantum (if any) of additional compensation that due regard must be taken of the compensation paid under (a) above.

2. That the Lessor and the Lessee agree and declare:

- (a) That they will engage in discussion and to agree on resolving issues relating the participation of Landowners in any Carbon Trading Project being developed as a consequence of the Capital project on the leased land including sharing or apportionment of income generated from the International Carbon Trading markets to the **REDD Plus (Reducing Emission from Deforestation & Forest Degradation, Forest Conservation, Sustainable Management of Forest Carbon Stocks)** Project Developers, the Lessor, the Lessee and the Landowners;
- (b) That in default of agreement or in case of irreconcilable differences arising leading to a dispute on any of the matters covered in (a) above the Lessor and the Lessee are to refer the issue to mediation and/or arbitration in accordance with applicable laws

# ĪTAUKEI LEASE DIAGRAM

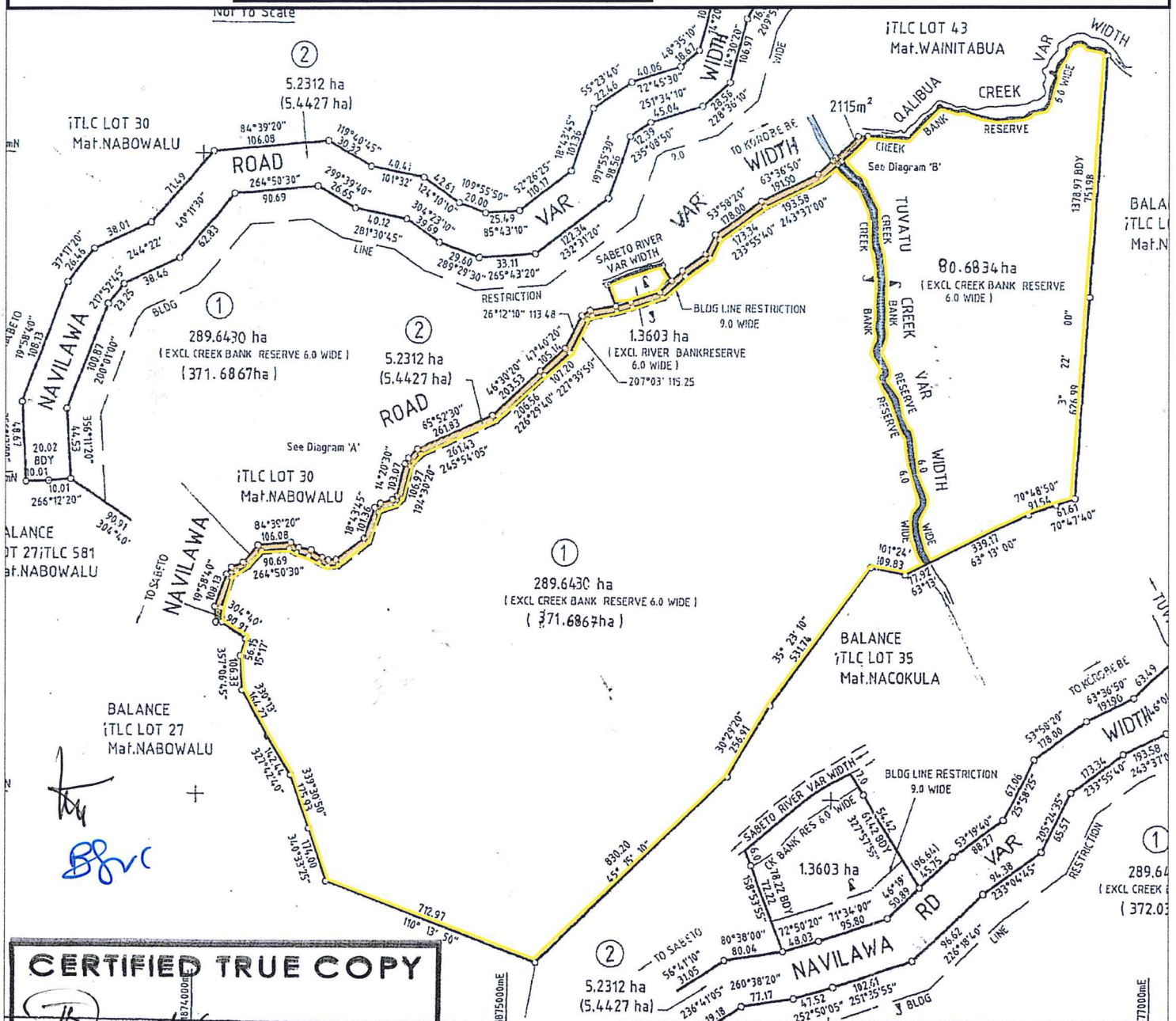
**SHOWING LOTS : 1 PLAN: SO.6940**

**KNOWN AS:** BEBE (PART OF) LOT 1 ON SO.6940

TIKINA: SABETO/VATURU PROVINCE: BA

**SCALE : 1:10,000 (Reduced) SHEET REFS: H/13-4, H/14,3, H/18,2**

TLTB REF: 6/77/39857



**CERTIFIED TRUE COPY**

For Secretary

ITaukei Land Trust Board

Date: 11.02.2015

<sup>1</sup>**IN WITNESS** whereof the lessor has caused its Common Seal to be hereunto affixed and the lessee has set their hands the day and year hereinbefore written.

<sup>2</sup>**IN WITNESS** whereof the lessor and the lessee have caused their Common Seals to be hereunto affixed the day and year first hereinbefore written.

The Common Seal of the iTaukei Land Trust Board was )  
hereunto affixed in pursuance of a resolution of the Board )  
by and in the presence of )



Member of the Board



<sup>2</sup>The Common Seal of LION ONE LIMITED )  
was hereunto affixed by and in the presence of the )  
undersigned who certify that they are the proper )  
officers authorised to attest the affixing of the SEAL )



Director

Secretary

<sup>1</sup>Delete where lessee is a body corporate

<sup>2</sup>Delete where lessee is a natural person

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