LOAN AGREEMENT

BETWEEN

ZENITH BANK (GHANA) LIMITED
(AS LENDERS)

AND

GEODRILL GHANA LIMITED
(AS BORROWER)

The Legal Department
Zenith Bank (Ghana) Limited
Premier Towers, Liberia Road
PMB CT393 Cantonments, Accra

THIS LOAN AGREEMENT is made this ..19.... day of ...2012......., in the year Two Thousand and Twelve BETWEEN **ZENITH BANK (GHANA) LIMITED** a limited liability company duly registered and incorporated under the laws of Ghana and whose mailing address is P.M.B. CT 393, Cantonments, Accra represented by Mr. Daniel Asiedu ("Lenders") OF THE ONE PART

AND

GEODRILL GHANA LIMITED of No. 20B Aviation Road Airport Residential Area, Accra represented by Mr. Dave Harper ("Borrower") OF THE OTHER PART.

WHEREAS, at the request of the Borrower and pursuant to an Offer Letter dated August 27, 2012 from the Lenders, the Lenders have agreed to enter into this Loan Agreement, dated as of the date hereof ("**Loan Agreement**"), pursuant to which the Lenders have agreed to provide a Term Loan Facility in the principal amount of US$10,000,000.00 (Ten Million US Dollars) to the Borrower to enable the Borrower finance general corporate expenditure including working capital needs and CAPEX ("**Loan**").

NOW THEREFORE THIS AGREEMENT WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following expressions shall have the following meaning except where the context otherwise requires

"Borrower" means **GEODRILL GHANA LIMITED** or where the context so dictates its representatives;

"Default on Interest" means a failure by the Borrower to pay any interest on the due date;

"Interest" shall have the meaning given to it in Clause 6;

"Loan" means the loan to be made available pursuant to the terms of this Agreement and pursuant to the terms of the Offer Letter;

"Lenders" means Zenith Bank (Ghana) Limited and its successors and assigns;

"Termination Date" means Twenty Four (24) months from the date of disbursement.

2 AMOUNT

The Lenders will provide to the Borrower, upon the terms and subject to the conditions hereof, a loan whose principal amount shall be equal to **US$10,000,000.00 (Ten Million US Dollars).**

3 MATURITY

3.1 The Loan shall be for a period of Twenty Four (24) months from the date of disbursement of the Facility and shall mature for payment at the close of business on the Termination Date subject to agreed terms of payment;

3.2 This Agreement may be extended by an Agreement in writing between the parties hereto.

4 DRAWDOWN

The loan will be paid to the Borrower upon the signing of this Agreement and upon the fulfilment of the conditions precedent outlined in the Offer Letter.

5 REPAYMENT

5.1 Unless otherwise agreed, the Loan will be repaid in eight (8) equal quarterly instalments of US$1,402,116.65 (One Million Four Hundred and Two Thousand One Hundred and Sixteen US Dollars Sixty Five Cents);

5.2 The Loan may be voluntarily prepaid in whole or in part prior to its maturity without penalty other than interest accrued to the date of such repayment.

6 INTEREST AND OTHER FEES

6.1 Interest for the Loan shall be at an annual rate of 10.5%, which shall be on the principal balance and shall be calculated based on days outstanding on the principal balance.

6.2 The Borrower shall bear and discharge all legal fees, out of pocket expenses, costs, registration, taxes, stamp duty and commissions, including cost of recovering the loan facility in the event of a default.

6.3 The Lender shall also charge Processing fee of 0.25 flat on the facility amount payable upon disbursement; and Management fees of 0.75% payable upfront per annum on outstanding loan balance.

7 PAYMENTS

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7.1 All payments due to be made by the Borrower to the Lenders hereunder whether of principal, Default on Interest or otherwise, shall be paid into the designated account of the Lenders;

7.2 If, at any time, it shall become impracticable for the Borrower to make payments hereunder in the manner specified in clause 5 then the Borrower may agree with the Lenders alternative arrangements for the payment to the Lenders of amounts due to the Lenders hereunder provided that, in the absence of any Agreement with the Lenders, the

Borrower shall be obliged to make all payments due to the Lender in the manner specified herein;

8 SECURITY

8.1 Security for the Loan shall be an All Asset Debenture over Plant Machinery Equipment, Vehicles and Stock of spare parts of the Customer's, situate at it's operation base in Anwian Nkwanta and various operational sites with an estimated FSV of US$40,266,366.00 (Forty Million, Two Hundred and Sixty Six Thousand, Three Hundred and Sixty Six US Dollars) as contained in the Schedule to the Debenture executed between the parties.

9 CONDITIONS PRECEDENT

9.1 The obligation of the Lender to make available the Loan is subject to the following:

9.1.1 All documents, reports and other information that have been furnished to the Lenders on the state of the Borrower are true and correct in all material respects and do not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained herein or therein not materially misleading;

9.1.2 Acceptance of offer evidenced by signing and returning a copy of offer letter by the authorized signatories of Borrower;

9.13 Execution and stamping of a Loan Agreement with the customer bearing the cost of stamp duty where applicable.

9.1.4 Receipt of an application letter for the facility from the customer which also indicates current indebtedness to other financial institutions.

9.1.5 Duly executed Board Resolution in a format acceptable to Zenith Bank authorizing and accepting usage of the facility.

9.1.6 Submission of registration documents and valuation report on the assets being used as security for the execution of an All Asset Debenture.

9.1.7 Execution and stamping *(where applicable)* of an All Asset Debenture.

9.1.8 Submission of an insurance policy over fire and allied perils on the assets being pledged as security from an insurance company acceptable to Zenith, noting the interest of Zenith Bank as the "first loss payee".

9.1.8 Receipt of a duly executed letter from Geodrill Ghana Limited authorizing Zenith to debit its account for the total cost of perfection of the mortgage debenture which shall be assessed by Zenith's Legal Department.

9.1.9 All other conditions precedent as outlined in the Offer Letter.

10 REPRESENTATIONS AND WARRANTIES

10.1 The Borrower represents and warrants that:

10.1.1 the Borrower has full power, authority and legal right to enter into this Agreement; and

10.1.2 this Agreement when accepted or executed by the Borrower will constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

11 DEFAULT

11.1 In the event that:

11.1.1 the Borrower fails on two consecutive occasions to pay any amount due under this Agreement on the due date or on demand, if so payable; or

11.1.2 the Borrower is made bankrupt; or

11.1.3 the Borrower fails to observe or perform any obligation under this Agreement (other than the payment of an amount due under this Agreement), and that failure is not remedied within 21 days; or

11.1.4 any provision of this Agreement becomes (for any reason) invalid or unenforceable,

The Lender may at any time thereafter, declare that the loan together with any accrued interest and all monies payable thereunder by the Borrower are immediately due and payable, and that the Loan is cancelled.

12 OFFER LETTER

This Agreement is pursuant to an Offer Letter from the Lenders to the Borrower.

13 NOTICES

Each communication to be made hereunder shall be made in writing and, unless otherwise stated, may be made by letter or facsimile to the addresses stated above.

14 ASSIGNMENTS

The Borrower shall not be entitled to assign all or any part of its rights and obligations under this Agreement without the prior consent in writing of the Lenders.

15 LAW – ARBITRATION

15.1 This Agreement shall be governed by and construed in accordance with the laws of the Republic of Ghana;

15.2 All disputes arising in connection with this Agreement may, in the first instance be resolved by arbitration pursuant to the terms of the Alternative Dispute Resolution Act of Ghana.

16 COUNTERPARTS

This Agreement may be executed and delivered in counterparts including by facsimile transmission), each of which will be deemed an original.

IN WITNESS whereof the Lenders and the Borrower have set their names and seals to this Agreement the day and year first above written.

Signed and sealed for and on behalf of the Lenders

(Signed)

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Signed and sealed for and on behalf of the Borrower

(Signed)

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