

Rights and Obligations

- Government Assurances
- Goods and Services
- Employment and Training
- Environment
- Fair and Economical Project Operation
- Other



16. GOVERNMENT ASSURANCES AND OBLIGATIONS



- 16.1 Legislation to Approve Agreement**
- 16.2 Stabilization**
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16.1 Legislation to Approve Agreement

16.1.1 The Government undertakes to use its best efforts to cause the legislation necessary to ratify this agreement and to give effect to the exemptions from the Applicable Law, to the extent expressly provided in this Agreement, to be prepared, introduced and passed in Parliament within _____ days of signing this Agreement.

16.1.2 Pending ratification of this Agreement, the Company may undertake reconnaissance **and/or** exploration activities subject to: (i) compliance with all applicable laws; and/or (ii) rights and obligations, specified in clauses _____ of this Agreement; and (iii) the operational standards specified in clauses _____ of this Agreement.



16.1 Legislation to Approve Agreement

16.1.3 The provisions of this Agreement, except clauses 16.1, _____ and other clauses expressly provided in clause 16.1, shall not come into operation until legislation, ratifying this Agreement, as referred to in clause 16.1 comes into effect.



16.2 Stabilization

16.2.1 If a provision of the Applicable Law is changed or repealed after the date of this agreement, and as a result the Company is adversely and significantly financially affected or its liabilities are materially increased, the parties must agree on a fair and reasonable method to compensate the Company for those changes including by an appropriate amendment to this agreement, to compensate for the adverse financial effect and maintain the rights, interests and revenues of the Company under this Agreement.



16.2 Stabilization

16.2.2 Notwithstanding clause 16.2.1, the Company shall be bound by all non-discriminatory changes in Applicable Law concerning health, safety, labour, the environment, and to address the proximate human rights impacts of mining provided that the changes in social and environmental standards are reasonable and generally accepted in the international mining industry.



16.2 Stabilization

16.2.3 If the parties are unable to agree upon an appropriate amendment to this agreement within ____ days of the coming into effect of the change of the Applicable Law, then any party may either (i) apply to the highest court of **[Country]** for an order regarding the effect, if any, of the change on the Company, or (ii) refer the matter to Arbitration under clause _____.



16.3 Title to minerals

The Government undertakes and agrees that Mining Company will acquire property in and title to the minerals on severance of the mineral ore from the land in Mining Area.



16.4 Government Development Obligations



16.5 Government Obligations Re: Local Governments and Landowners

16.5.1 Financial benefits to be received by the Local Government and the Landowners, in addition to those expressly provided in this agreement or under legislation on the date of this agreement, must be negotiated by the Government. The benefits must be provided without added cost to the Company.

16.5.2 The Government must keep the Local Government and the Landowners regularly informed about activities under this agreement.



16.5 Government Obligations Re: Local Governments and Landowners

16.5.3 The Government assures that:

(i) the Company shall not be required to apply for more than one business licence from the Local Government and will not be required to pay more than one business licence fee, and

(ii) neither it nor the Local Government will not close any public or private access to Mining Area without first obtaining the written consent of the Mining Company.



16.6 Foreign currency remittance and availability.

16.6.1 The Government confirms that interest, dividends and all other payments for goods and services are freely remittable from **[Country]** and that if foreign currency is required to make such payments, then the Government shall not place any restriction on conversion of local currency into any other currency by the Company.

16.6.1 The freedom to remit funds is subject to the right of the Government to impose equitably, non-discriminatorily and in good faith, such measures as may be necessary to safeguard the integrity and independence of its currency, its external financial position and balance of payments, consistent with rights and obligations of a member of the International Monetary Fund.



"A rock pile ceases to be a rock pile the moment a single man contemplates it, bearing within him the image of a cathedral."

Antoine De Saint-Exupery, *Pilote de Guerre* (1942)

