


EXECUTION VERSION

Dated 18 October 2013

SOLID RESOURCES LTD.
and
GLENCORE 

CO-OPERATION AGREEMENT
relating to Phase 1 of the Project



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Co-operation Agreement

This Agreement is made on 18 October 2013 between:

- (1) Solid Resources Ltd., a company incorporated under the laws of Alberta, Canada, registered with the corporate registry of Alberta under number 2035761, whose registered office is at 600, 815 8th Avenue SW, Calgary, Alberta T2P 3P2 ("Solid"); and
- (2) Glencore [REDACTED]
[REDACTED] ("Glencore"),

(each a "Party" and together the "Parties").

Recitals:

- (A) Solid and Glencore have agreed to contribute resources and services towards the Project and, if appropriate, establish the Company as a joint venture company to carry on the Project at the end of Phase 1.
- (B) Solid and Glencore have agreed to regulate their respective rights and obligations in respect of the Project on the terms and conditions of this Agreement.

It is agreed as follows:

1 Interpretation

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply:

1.1 Definitions

"Agreement" means this agreement as modified, amended or replaced from time to time;

"Anti-Corruption Law" means:

- (a) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997 (the "OECD Convention");
- (b) the Foreign Corrupt Practices Act of 1977 of the United States of America, as amended by the Foreign Corrupt Practices Act Amendments of 1988 and 1998, and as may be further amended and supplemented from time to time (the "FCPA");
- (c) the Bribery Act 2010;
- (d) any other applicable law (including any: (a) statute, ordinance, rule or regulation; (b) order of any court, tribunal or any other judicial body; and (c) rule, regulation, guideline or order of any public body, or any other administrative requirement) which:
 - (i) prohibits the conferring of any gift, payment or other benefit on any person or any officer, employee, agent or adviser of such person; and/or
 - (ii) is broadly equivalent to the FCPA and/or the Bribery Act 2010 or was intended to enact the provisions of the OECD Convention or which has as its objective the prevention of corruption, bribery or fraud;

"Associated Company" means, in relation to a Party, any holding company, subsidiary of the Party or any other subsidiaries of any such holding company;

"Business Day" means a day which is not a Saturday, Sunday or public holiday in Alberta, Canada or Switzerland;

"Change of Control" means where a person who did not previously exercise Control over a Party or the Ultimate Parent Company of a Party acquires or agrees to acquire or has options over or otherwise becomes able to exercise such Control or where a person who was previously able to exercise Control over that Party ceases to be in a position to do so;

"Company" has the meaning set out in Clause 7.2.1;

"Concession Agreement" means the agreement entered into between the Counterparty [REDACTED] and SME (acting by D. Gonzalo de Ojeda Eiseley) dated 11 October 2012, relating to an option to purchase the Concessions and some plants and machinery;

"Concessions" means the 62 existing iron ore mining concessions in Cehegin, Spain, originally acquired by the Counterparty on 4 March 1991, as listed in Part A of Schedule 1 (*Concessions and Permits*);

"Confidential Information" has the meaning set out in Clause 13.2 (*Confidential Information*);

"Control" means, in relation to a Party, where a person (or Persons Acting In Concert) has direct or indirect control (i) of the affairs of that Party, or (ii) over more than 50 per cent. of the total voting rights conferred by all the issued shares in the capital of that Party which are ordinarily exercisable in general meeting, or (iii) of a majority of the board of directors of that Party (in each case whether pursuant to relevant constitutional documents, contract or otherwise);

"Counterparty" means [REDACTED];

"Defaulting Party" has the meaning set out in Clause 10.2 (*Notice of default*);

"Default Notice" has the meaning set out in Clause 10.3 (*Default Notice*);

"Due Diligence Report" has the meaning set out in Clause 5.2.4;

"Effective Date" has the meaning set out in Clause 2;

"Encumbrance" means any claim, charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first offer, right of first refusal or other third party right(s) or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

"Event of Default" has the meaning set out in Clause 10.1 (*Event of Default*);

"Final DDR Notice" has the meaning set out in Clause 5.4.2;

"Glencore Consent" means the written consent of Glencore;

"Glencore Warranties" means the warranties given by Glencore set out in Part B of Schedule 3 (*Warranties*);

"Group" means, in relation to a Party, the Party and its subsidiaries or subsidiary undertakings from time to time;

"holding company" has the meaning set out in Section 1159 of the UK Companies Act 2006;

"Insolvency Event" means, in relation to a Party:

- (a) the Party entering into or resolving to enter into any arrangement, composition or compromise with or assignment for the benefit of its creditors or any class of them in any relevant jurisdiction;
- (b) the Party being unable to pay its debts when they are due or being deemed under any statutory provision of any relevant jurisdiction to be insolvent;
- (c) a liquidator or provisional liquidator being appointed to the Party or a receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertakings of the Party, or an event analogous with any such event occurring in any relevant jurisdiction; or
- (d) an application or order being made or a resolution being passed for the winding-up of the Party (except for the purposes of a bona fide reconstruction or amalgamation);

"Joint Venture Agreement" means the joint venture agreement substantially in the form set out in Schedule 4 (*Joint Venture Agreement*), which shall be entered into by Solid, Glencore (or a member of the Glencore Group) and the Company in relation to the Project in accordance with Clause 7.2.3;

"Laws" means the laws and regulations for the time being in force applicable to any Party or its Associated Companies (as appropriate), including, where applicable, the rules of any stock exchange on which the securities of a Party or its Associated Companies are listed or other governmental or regulatory body to which a Party or its Associated Companies are subject;

"LOM" means such person nominated by each Party as its lead operating manager from time to time;

"Long-Stop Date" means [REDACTED] (or such other date as agreed in writing by the Parties);

"Losses" means all losses, liabilities, costs (including legal costs and experts' and consultants' fees), charges, expenses, actions, proceedings, claims and demands, and **"Loss"** shall be construed accordingly;

"Managers" means [REDACTED];

"Material Breach" has the meaning set out in Clause 10.1 (*Event of Default*);

"Money Laundering Laws" has the meaning set out in paragraph 8.7 of Part A of Schedule 3 (*Warranties*);

"Non-defaulting Party" has the meaning set out in Clause 10.2 (*Notice of default*);

"notice" has the meaning set out in Clause 14.2.1;

"Offtake Agreement" means the offtake agreement substantially in the form set out in Schedule 5 (*Offtake Agreement*), which shall be entered into by Glencore and the Company in relation to the Project's products in accordance with Clause 7.4;

"Other Licences" has the meaning set out in paragraph 7.1 of Part A of Schedule 3 (*Warranties*);

"Permits" means the rights to any iron ore exploration permits within 121 *Cuadriculas Mineras* (mining metres) under application by the Solid Group with application file number 1-13EIA and pending license number 22364, as illustrated in the plan set out in Part B of Schedule 1 (*Concessions and Permits*);

"Persons Acting In Concert" means, in relation to a Party, persons which actively cooperate, pursuant to an agreement or understanding (whether formal or informal), with a view to obtaining or consolidating Control of that Party;

"Phase 1" has the meaning set out in Clause 5.1 (*Purpose*);

"Phase 1 Warrants" means the 6,000,000 common share purchase warrants represented by the warrant certificate no. G-1 issued by Solid to Glencore on the Effective Date, entitling Glencore to purchase an equivalent number of common shares in the capital of Solid, which shall vest in favour of Glencore and become exercisable upon the determination to proceed to Phase 2 pursuant to Clause 6.1.1;

"Phase 2" has the meaning set out in Clause 3.2.2;

"Phase 2 Warrants" means the 6,000,000 common share purchase warrants represented by the warrant certificate no. G-2 issued by Solid to Glencore on the Effective Date, entitling Glencore to purchase an equivalent number of common shares in the capital of Solid, which shall vest in favour of Glencore and become exercisable upon Glencore's initial investment of US\$600,000 during Phase 2;

"Phases" has the meaning set out in Clause 3.2;

"Project" has the meaning set out in Clause 3.1;

"Quotations" means the third party contractor quotations (comprising at least two quotations for trucking and one quotation for the port) which, in the reasonable opinion of Glencore, demonstrates that the "all-inclusive-costs" for the logistics of trucking from the Concessions to Cartagena, Spain for loading 150,000 DWT vessels are physically and financially viable;

"Right" has the meaning set out in Clause 14.9 (*Waiver*);

"Sanctions" has the meaning set out in paragraph 8.5 of Part A of Schedule 3 (*Warranties*);

"SME" means Solid Mines España, S.A.U., with CIF number A-37069929 and registered address in Salamanca, Polígono Industrial "El Montalvo II", C/ Lagunas de Villafáfila no. 43, Parcela 88, Nave 2;

"Solid Warranties" means the warranties given by Solid set out in Part A of Schedule 3 (*Warranties*);

"subsidiary" has the meaning set out in Section 1159 of the UK Companies Act 2006;

"**subsidiary undertaking**" has the meaning set out in Section 1162 of the UK Companies Act 2006;

"**Surviving Provisions**" means Clause 1 (*Interpretation*), Clause 13 (*Confidentiality*), Clause 14.1 (*Governing law and submission to arbitration*), Clause 14.2 (*Notices*), Clause 14.3 (*Whole agreement and remedies*), Clause 14.5 (*Legal advice and reasonableness*), Clause 14.6 (*No partnership*), Clause 14.8 (*Survival of Rights, duties and obligations*), Clause 14.9 (*Waiver*), Clause 14.10 (*Variation*), Clause 14.11 (*No assignment*), Clause 14.13 (*Invalidity/severance*), Clause 14.15 (*Costs*), Clause 14.16 (*Third party rights*), Clause 14.17 (*Appointment of process agent*) and any other provisions of this Agreement to the extent relevant to the interpretation or enforcement of such provisions;

"**Term Sheet**" means the term sheet relating to the Project entered into by the Parties on 13 August 2013;

"**Ultimate Parent Company**" means, in relation to Solid, Solid and, in relation to Glencore, [REDACTED];

"**Warranties**" means the Glencore Warranties and/or the Solid Warranties, as applicable;

"**Warrantor**" means, in the case of the Glencore Warranties, Glencore and, in the case of the Solid Warranties, Solid; and

"**Warrants**" means the Phase 1 Warrants and the Phase 2 Warrants.

1.2 Singular, plural, gender

References to one gender include all genders and references to the singular include the plural and vice versa.

1.3 References to persons and companies

References to:

1.3.1 a person include any company, corporation, firm, joint venture, partnership or unincorporated association (whether or not having separate legal personality); and

1.3.2 a company include any company, corporation or body corporate, wherever incorporated.

1.4 Schedules etc.

References to this Agreement shall include any Recitals and Schedules to it and references to Clauses and Schedules are to Clauses of, and Schedules to, this Agreement. References to paragraphs and Parts are to paragraphs and Parts of the Schedules.

1.5 Information

References to books, records or other information mean books, records or other information in any form, including paper, electronically stored data, magnetic media, film and microfilm.

1.6 Legal terms

References to any English legal term shall, in respect of any jurisdiction other than England and Wales, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction.

1.7 Headings

Headings shall be ignored in interpreting this Agreement.

1.8 Non-limiting effect of words

The words "including", "include", "in particular" and words of similar effect shall not be deemed to limit the general effect of the words which precede them.

1.9 Modification etc. of statutes

References to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated, whether before or after the Effective Date, so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into in accordance with this Agreement, provided that nothing in this Clause 1.9 shall operate to increase the liability of any Party beyond that which would have existed had this Clause 1.9 been omitted.

1.10 Documents

References to any document (including this Agreement) or to a provision in a document shall be construed as a reference to such document or provision as amended, supplemented, modified, restated or novated from time to time.

2 Conditions Precedent

This Agreement shall only become effective on the date of the execution, and issuance, of the Warrants in accordance with their terms (the "**Effective Date**").

3 Purpose of joint venture

3.1 The purpose of the joint venture between the Parties shall be to investigate and potentially develop an export iron ore operation on the area covered by the Concessions and the Permits (the "**Project**"), subject to, and in accordance with, the terms of this Agreement.

3.2 Prior to construction, the Project shall be carried out in the following four phases:

3.2.1 Phase 1: Due diligence phase;

3.2.2 Phase 2: Exploration and concept phase;

3.2.3 Phase 3: Pre-feasibility phase; and

3.2.4 Phase 4: Feasibility phase,

(together the "**Phases**").

4 Lead operating managers (LOMs)

4.1 Each Party shall:

4.1.1 nominate an individual who is mutually acceptable to both Parties to be appointed as its LOM from time to time; and

4.1.2 promptly notify the other Party in writing of such nomination.

4.2 As at the Effective Date, Solid's LOM shall be [REDACTED] and Glencore's LOM shall be [REDACTED].

- 4.3 Each Party shall have the right to raise reasonable objections in relation to the other Party's nomination by providing written notice to the appointing Party setting out its reasonable objections to such appointment within five Business Days of the receipt of the notification under Clause 4.1. In such circumstances, the appointing Party shall be required to notify the other Party of an alternative nominee in accordance with Clause 4.1.
- 4.4 The LOMs shall be responsible for co-ordinating the respective contributions of the Parties to the Project under this Agreement and shall provide the technical interface between the Parties in relation to the Project.
- 4.5 The Parties agree that Solid, through its LOM, shall have responsibility for managing and leading each Phase of the Project, with Glencore providing support, through its LOM, on study requirements and technical matters relating to the Project, including full consultancy services on shipping and marketing during each of the Phases.
- 4.6 The Parties agree that their respective LOMs shall have the right to invite other representatives of the Parties to attend meetings of the LOMs.

5 Phase 1

5.1 Purpose

The Parties wish to:

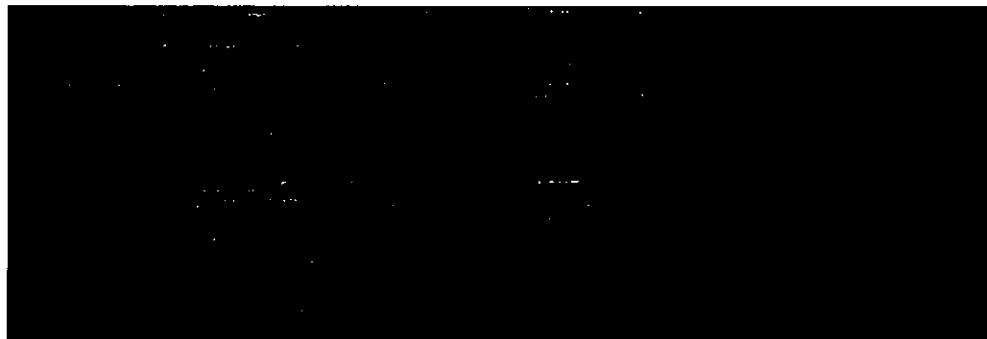
- 5.1.1 determine the Quotations, which, in the reasonable opinion of Glencore, are satisfactory to Glencore;
- 5.1.2 evaluate the technical and financial feasibility of the Project based on an analysis of existing technical data; and
- 5.1.3 undertake a preliminary review at a "concept"/"scoping" level of all other evaluation aspects which will determine the potential feasibility of the Project,

("Phase 1").

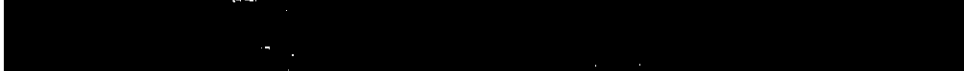
5.2 Glencore's obligations

During Phase 1, Glencore shall, at its cost, through its LOM:

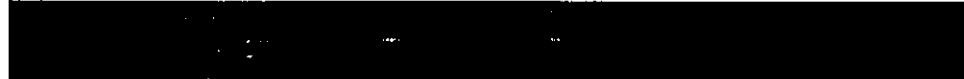
5.2.1



5.2.2



5.2.3



5.2.4

[REDACTED]

5.2.5

[REDACTED]

[REDACTED]

5.3 Solid's obligations

During Phase 1, Solid shall, at its cost, through its LOM:

5.3.1

5.3.2

5.3.3

5.3.4

[REDACTED]

5.4 Due Diligence Report

5.4.1

[REDACTED]

5.4.2

[REDACTED]

5.5 Costs

During Phase 1, each Party shall be responsible for all costs incurred by it and its Group in connection with the fulfilment of its respective obligations under this Clause 5.

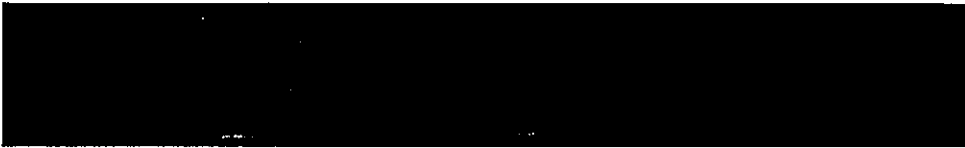
6 Completion of Phase 1

6.1 Following receipt by Solid of the Final DDR Notice under Clause 5.4.2 and by no later than the Long-Stop Date, Glencore shall give written notice to Solid of its determination (in its sole discretion) to either:

6.1.1 proceed to Phase 2 in accordance with Clause 7 (*Phase 2*); or

6.1.2 terminate this Agreement with immediate effect.

7 Phase 2

- 7.1 If Glencore elects to proceed to Phase 2 in accordance with Clause 6 (*Completion of Phase 1*), the provisions set out in this Clause 7 shall apply.
- 7.2 Each of the Parties undertakes that:
- 7.2.1 a new special purpose vehicle (the "**Company**") shall be established by the Parties in which the initial issued share capital shall be held 80 per cent. by Solid and 20 per cent. by Glencore;
- 7.2.2 
- 7.2.3 subject to receipt of all applicable governmental, statutory or regulatory authorisations and approvals, it shall (or, in the case of Glencore, at its election, procure that a member of the Glencore Group shall) enter into, and procure that the Company enters into, the Joint Venture Agreement;
- 7.2.4 it shall procure that the Company shall adopt and register articles of association which have been approved by each Party and reflect the provisions of the Joint Venture Agreement;
- 7.2.5 it shall take, and procure that each member of its Group takes, all steps necessary to transfer and/or assign to the Company all samples, results, analyses, reports and studies that its Group has prepared during Phase 1 in relation to the Project; and
- 7.2.6 the Parties' costs and expenses of establishing the Company (including all advisers' fees) shall be met by the Parties *pro rata* to their initial shareholdings in the Company.
- 7.3 Solid undertakes that, at its own cost:
- 7.3.1 it shall take, and procure that each member of the Solid Group takes, all steps necessary to:
- (i) transfer and/or assign the Concessions (to the extent held by the Solid Group) and the Permits to the Company; and
 - (ii) if the option under the Concession Agreement has not been exercised, transfer and/or assign the full benefit of all of the Solid Group's rights under the Concession Agreement to the Company; and
- 7.3.2 it shall obtain, and procure that each member of the Solid Group obtains, all consents, licences, approvals, permits, authorisations or waivers that may be required from third parties for the assignment and/or transfer to the Company of (i) the Concessions (to the extent held by the Solid Group) and the Permits, and (ii) the Concession Agreement, in each case on terms that are reasonably acceptable to Glencore.
- 7.4 The Parties agree that Glencore shall have exclusive life of mine offtake rights for 100 per cent. of the Project's products (including, without limitation, any iron ore product and any other marketable product produced from the Concessions and/or the Permits) and the

Parties shall procure that the Company shall enter into the Offtake Agreement with Glencore.

7.5



8 Undertakings

- 8.1 Solid undertakes that, from the Effective Date, no action or decision relating to any of the matters specified in Part A of Schedule 2 (*Undertakings*) (whether by its board of directors, any member of its Group or any of the officers or managers of any member of its Group or any other person in relation to its Group) shall be taken without prior Glencore Consent, provided that such consent shall not be unreasonably withheld or delayed.
- 8.2 Solid undertakes that, from the Effective Date, it shall act, and shall procure that each member of its Group acts, as specified in Part B of Schedule 2 (*Undertakings*) unless prior Glencore Consent is obtained, provided that such consent shall not be unreasonably withheld or delayed.
- 8.3 Solid undertakes that, following Glencore Consent to any action or decision relating to any of the matters specified in Part A of Schedule 2 (*Undertakings*), it or the relevant member of its Group shall carry out such action or decision in accordance with the scope of the relevant Glencore Consent.
- 8.4 Glencore undertakes that, from the Effective Date, it shall act as specified in Part C of Schedule 2 (*Undertakings*) unless prior written consent of Solid is obtained, provided that such consent shall not be unreasonably withheld or delayed.

9 Warranties

- 9.1 Solid represents and warrants to Glencore that the Solid Warranties are true, accurate and not misleading as at the Effective Date and acknowledges that Glencore has entered into this Agreement in reliance upon the Solid Warranties.
- 9.2 Glencore represents and warrants to Solid that the Glencore Warranties are true, accurate and not misleading as at the Effective Date and acknowledges that Solid has entered into this Agreement in reliance upon the Glencore Warranties.
- 9.3 Each of the Warranties shall be construed as a separate Warranty and shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of this Agreement.
- 9.4 Solid undertakes to notify Glencore in writing promptly if it becomes aware of any circumstances arising after the Effective Date which would cause any Solid Warranty to become untrue, inaccurate or misleading in any respect which is material to the Project

(including the Concessions, the Permits or the Concession Agreement) or the financial or trading position of Solid or any of its subsidiaries.

- 9.5** Glencore undertakes to notify Solid in writing promptly if it becomes aware of any circumstances arising after the Effective Date which would cause any Glencore Warranty to become untrue, inaccurate or misleading in any respect which is material to the Project or the financial or trading position of Glencore or any of its subsidiaries.
- 9.6** Neither Party shall be entitled to recover from the other Party under this Agreement more than once in respect of the same Loss and each Party shall procure that reasonable steps are taken and reasonable assistance is given to avoid or mitigate any Losses which, in the absence of mitigation, might give rise to a liability in respect of any breach of the Warranties.
- 9.7** Any Warranty given by the Warrantor which is qualified by the expression "so far as it is aware" or any similar expression shall be deemed to refer to the knowledge of the directors of such Warrantor and shall be deemed to include an additional statement that it has been made after due and careful enquiry (including, in respect of Solid, due and careful enquiry of the Managers).
- 9.8** For the purposes of this Clause 9 and the Warranties, "material" shall mean material in the context of the Project.

10 Default

10.1 Event of Default

If a Party:

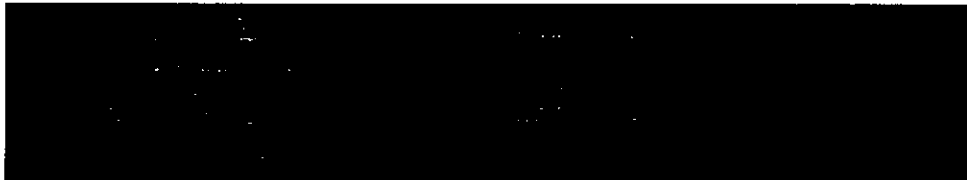
- 10.1.1** commits any Material Breach of this Agreement and either (i) the breach is not capable of being remedied or (ii) the Party does not remedy that breach as soon as possible and in any event within 10 Business Days of it receiving a notice from the other Party requiring it to remedy that breach;
- 10.1.2** or any of its holding companies or its Ultimate Parent Company is subject to an Insolvency Event; or
- 10.1.3** or any of its holding companies or its Ultimate Parent Company is subject to any Change of Control which:
- (i) a non-defaulting Party reasonably believes will:
 - (a) be materially prejudicial to the Project (including the Concessions, the Permits or the Concession Agreement); or
 - (b) cause either reputational damage or regulatory concerns to it or its Group; and/or
 - (ii) gives a competitor of a non-defaulting Party or any of its Associated Companies Control of the relevant company,

provided always that a Party shall not be deemed to have suffered a Change of Control by reason only of such Party's Group having undergone a bona fide reorganisation of its business such that a new holding company is created within its Group for the purposes of such reorganisation,

then it shall have committed an "Event of Default".



(i)



(ii)

(iii)

10.2 Notice of default

If an Event of Default occurs, the Party who commits an Event of Default (the "Defaulting Party") shall notify the other Party (the "Non-defaulting Party") as soon as reasonably practicable.

10.3 Default Notice

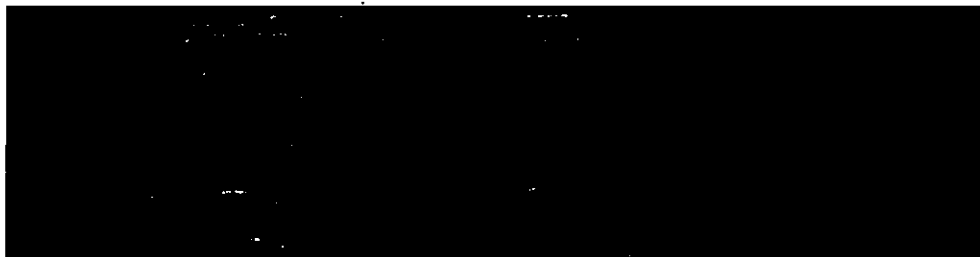
Following an Event of Default, the Non-defaulting Party may give written notice (a "Default Notice") within 10 Business Days of receiving notification of an Event of Default or of becoming aware of an Event of Default, whichever is the earlier, to terminate this Agreement.

10.4 Liquidated damages

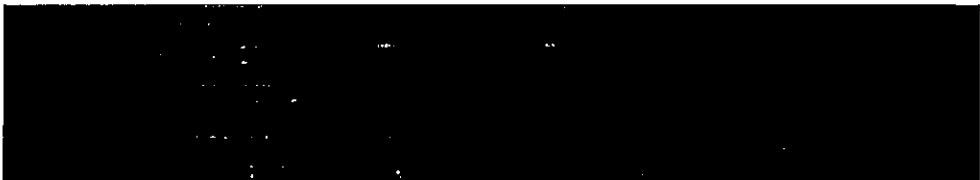
10.4.1



10.4.2



10.4.3



10.5 Costs and expenses



[REDACTED]

10.6 Other breaches of this Agreement

[REDACTED]

11 Duration, termination and survival

11.1 Duration and termination

This Agreement shall continue in full force and effect without limit in time until the earlier of:

- 11.1.1 the Long-Stop Date;
- 11.1.2 the effective date of the Joint Venture Agreement entered into in accordance with Clause 7.2.3;
- 11.1.3 the date of receipt by Solid of the written notice from Glencore terminating this Agreement in accordance with Clause 6.1.2; and
- 11.1.4 the date of receipt by the Defaulting Party of the Default Notice,

provided that this Agreement shall cease to have effect save for the Surviving Provisions which shall continue in force after termination generally.

12 Exclusivity

12.1

[REDACTED]

12.1.1

[REDACTED]

12.1.2

[REDACTED]

12.1.3

[REDACTED]

[REDACTED]



13 Confidentiality

13.1 Announcements

- 13.1.1 Notwithstanding any other provision of this Agreement, no public announcement of any kind shall be made by Solid or any member of the Solid Group in respect of this Agreement and/or the Warrants, save for an announcement substantially in the form set out in Schedule 6.
- 13.1.2 Save for the announcement referred to in Clause 13.1.1, if a Party is required by the Laws to make any public announcement in respect of this Agreement, the Party concerned shall take all reasonable steps to obtain the consent of the other Party to the contents of the announcement, such consent not to be unreasonably withheld or delayed. The Party or the Associated Company of the Party making the announcement (as the case may be) shall (unless it is not reasonably practicable to do so) give a copy of the text to the other Party prior to the announcement being released. A Party shall not attribute any public announcement to the other Party without that Party's consent.

13.2 Confidential Information

Subject to Clauses 13.1 (*Announcements*) and 13.3 (*Exclusions*), each Party shall use reasonable endeavours to keep confidential and to procure that its respective Associated Companies and their respective officers, employees, agents and advisers keep confidential the following (the "**Confidential Information**"):

- 13.2.1 all communications between each Party;
- 13.2.2 all information and other materials supplied to or received by any of them which are either marked "confidential" or are by their nature intended to be for the knowledge of the recipient alone; and
- 13.2.3 any information relating to this Agreement, the Project, the Concessions, the Permit, the Concession Agreement, or the customers, business, assets or affairs of a Party or its Associated Companies and all information concerning the business transactions and/or financial arrangements of a Party or its Associated Companies,

and shall not use any Confidential Information for its own business purposes or disclose any Confidential Information to any third party without the consent of the other Party.

13.3 Exclusions

- 13.3.1 Clause 13.2 (*Confidential Information*) shall not prohibit disclosure or use of any information if and to the extent:
- (i) the information is or becomes publicly available (other than by breach of this Agreement);
 - (ii) the other Party has given prior written approval to the disclosure or use;
 - (iii) such information is information about a Party which has been confirmed as not confidential by such Party in writing;

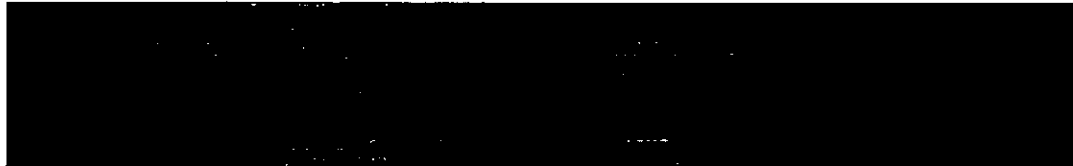
- (iv) the information is independently developed by a Party after the Effective Date;
- (v) the disclosure or use is required by law, any governmental or regulatory body or any stock exchange on which the shares of either Party or any of its Associated Companies is listed;
- (vi) the disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of this Agreement or any documents to be entered into pursuant to it;
- (vii) the disclosure of information is to any relevant tax authority to the extent such disclosure is reasonably required for the purposes of the tax affairs of the Party concerned or any of its Associated Companies; or
- (viii) the disclosure of information by a Party to its Associated Companies, directors, employees or professional advisers is on a need-to-know basis and on terms that such parties undertake to comply with the provisions of this Clause 13 as if they were a party to this Agreement,

provided that, prior to disclosure or use of any information pursuant to Clause 13.3.1(v) or (vi), the Party concerned shall, where legally permissible, promptly notify the other Party of such requirement with a view to providing that other Party with the opportunity to contest such disclosure or use or otherwise agreeing the timing and content of such disclosure or use.

13.4 Return of Confidential Information



- 13.4.1 
- 13.4.2 
- 13.4.3 
- 13.4.4 



13.5 Confidentiality provisions in the Term Sheet

The confidentiality provisions set out in paragraph 17 of the Term Sheet shall cease to have any force or effect from the Effective Date.

13.6 Duration of confidentiality obligations

The obligations contained in this Clause 13 shall last indefinitely notwithstanding the termination of this Agreement or a person ceasing to be party to this Agreement.

14 General

14.1 Governing law and submission to arbitration

14.1.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.

14.1.2 Each of the Parties irrevocably agrees that any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, or any non-contractual obligation arising out of or in connection with this Agreement, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (LCIA), the rules of which (LCIA Arbitration Rules) are deemed to be incorporated by reference herein. The seat of arbitration shall be London and the arbitration shall be conducted in English by three arbitrators, with one arbitrator appointed by each Party and the third arbitrator to be chosen by the two appointed arbitrators. The Parties irrevocably waive their right to any form of appeal, review or recourse to any court or other judicial authority.

14.2 Notices

14.2.1 Any notice or other communication in connection with this Agreement (each a "notice") shall be:

- (i) in writing
- (ii) in English; and
- (iii) delivered by hand, fax, registered post, email or courier using an internationally recognised courier company.

14.2.2 A notice to Solid shall be sent to such Party at the following address, or such other person or address as Solid may notify in writing to the other Parties from time to time:

Solid Resources Ltd.

390 Hill Road, Gabriola, British Columbia V0R 1X2, Canada

Fax: +1 604.677.5406

Email: [REDACTED]


Attention: President

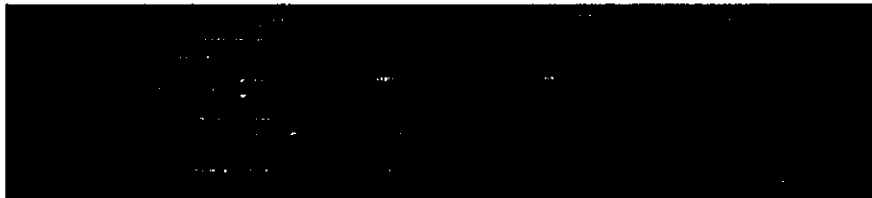
With a copy to:

Davis LLP



14.2.3 A notice to Glencore shall be sent to such Party at the following address, or such other person or address as Glencore may notify in writing to the other Parties from time to time:

Glencore 



With a copy to:



14.2.4 A notice shall be effective upon receipt and shall be deemed to have been received:

- (i) at 9.00 am on the second Business Day after posting;
- (ii) at the time of delivery, if delivered by hand or courier;
- (iii) at the time of transmission in legible form, if delivered by fax; or
- (iv) at the time of sending, if sent by email, provided that receipt shall not occur if the sender receives an automated message indicating that the email has not been delivered to the recipient.

14.3 Whole agreement and remedies

14.3.1 This Agreement contains the whole agreement between the Parties relating to the subject matter of this Agreement at the Effective Date to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement.

14.3.2 Each Party agrees and acknowledges that:

- (i) in entering into this Agreement, it is not relying on any representation, warranty or undertaking not expressly incorporated into it; and
- (ii) its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for

breach of the terms of this Agreement and each of the Parties waives all other rights and remedies (including those in tort or arising under statute) in relation to any such representation, warranty or undertaking.

14.3.3 In this Clause 14.3, "this Agreement" includes all documents entered into pursuant to this Agreement.

14.3.4 Nothing in this Clause 14.3 excludes or limits any liability for fraud, wilful misconduct or gross negligence.

14.4 Damages not an adequate remedy

Without prejudice to any other rights or remedies which a Party may have under this Agreement, the Parties acknowledge and agree that damages would not be an adequate remedy for any breach of Clauses 7 (*Phase 2*), 8 (*Undertakings*), 12 (*Exclusivity*) or 13 (*Confidentiality*) and the remedies of injunction, specific performance and other equitable relief are appropriate for any threatened or actual breach of any such provision and no proof of special damages shall be necessary for the enforcement of the rights under this Clause 14.4.

14.5 Legal advice and reasonableness

Each Party to this Agreement confirms that it has received independent legal advice relating to all the matters provided for in this Agreement, including the terms of Clauses 14.3 (*Whole agreement and remedies*) and 14.4 (*Damages not an adequate remedy*), and agrees that the provisions of this Agreement (including all documents entered into pursuant to this Agreement) are fair and reasonable.

14.6 No partnership

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties hereto or constitute any Party the agent of any other Party for any purpose.

14.7 Release etc.

Any liability owing from any Party under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by a Party in its absolute discretion without in any way prejudicing or affecting its rights against any other Party under the same or a like liability, whether joint and several or otherwise, or the rights of any other Party.

14.8 Survival of Rights, duties and obligations

14.8.1 Termination of this Agreement for any cause shall not release a Party from any liability which at the time of termination has already accrued to another Party or which thereafter may accrue in respect of any act or omission prior to such termination.

14.8.2 If a Party ceases to be a Party to this Agreement for any cause, such Party shall not be released from any liability which at the time of the cessation has already accrued to another Party or which thereafter may accrue in respect of any act or omission prior to such cessation.

14.9 Waiver

No failure of any Party to exercise, and no delay by it in exercising, any right or remedy under this Agreement (a "Right") shall operate as a waiver of that Right, nor shall any

single or partial exercise of any Right preclude any other or further exercise of that Right or the exercise of any other Right. The Rights provided in this Agreement are cumulative and not exclusive of any other Rights (whether provided by law or otherwise). Any express waiver of any breach of this Agreement shall not be deemed to be a waiver of any subsequent breach.

14.10 Variation

No amendment to this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.

14.11 No assignment

14.11.1 It is acknowledged and agreed by each Party that Glencore may at any time transfer any or all of the rights and obligations under this Agreement, including the Solid Warranties, to any member or members of the Glencore Group, provided that Glencore shall provide Solid with evidence reasonably satisfactory to Solid of the financial capability of the transferee to fulfil its obligations. Accordingly, subject to Clause 14.11.2, the Parties agree that the benefit of this Agreement (including the Solid Warranties) may be assigned (in whole or in part) by Glencore without the consent of any Party, to any member or members of the Glencore Group, and may be enforced by, any such person as if it was Glencore.

14.11.2 If the benefit of the whole or any part of this Agreement is assigned by Glencore in accordance with Clause 14.11.1, the person to whom the benefit is assigned may at any time assign the same in accordance with Clause 14.11.1 as if it was Glencore.

14.11.3 Except as otherwise expressly provided in Clauses 14.11.1 and 14.11.2, none of the Parties may, without the prior written consent of the others, assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement. Any purported assignment, transfer, charge or dealing in contravention of this Clause 14.11 shall be void.

14.11.4 This Agreement shall be binding on the Parties and their respective successors and assigns.

14.12 Further assurance

Each of the Parties shall: (i) from time to time execute such documents and perform such acts and things as any Party may reasonably require from time to time in order to carry out the intended purpose of this Agreement; and (ii) use reasonable endeavours to procure that any necessary third party shall execute such documents and do such acts and things as may reasonably be required in order to carry out the intended purpose of this Agreement.

14.13 Invalidity/severance

14.13.1 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties.

14.13.2 To the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 14.13.1, then such provision or part of it shall, to the extent that it is

illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 14.13.1, not be affected.

14.14 Counterparts

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Agreement by executing any such counterpart.

14.15 Costs

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and execution of this Agreement.

14.16 Third party rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement.

14.17 Appointment of process agent

14.17.1 Solid hereby irrevocably appoints [REDACTED] as its agent to accept service of process in England and Wales in any legal action or proceedings arising out of this Agreement, service upon whom shall be deemed completed whether or not forwarded to or received by Solid.

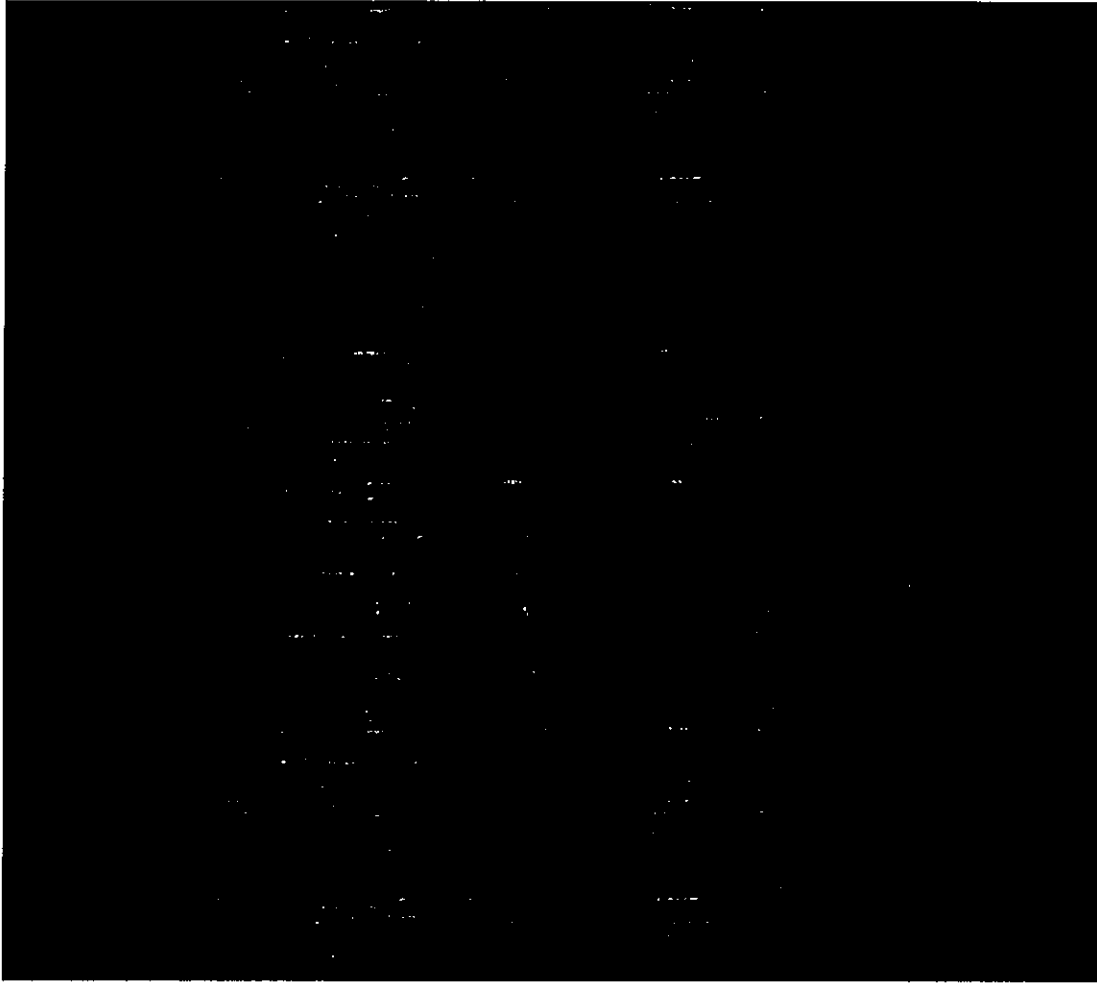
14.17.2 Glencore hereby irrevocably appoints [REDACTED] as its agent to accept service of process in England and Wales in any legal action or proceedings arising out of this Agreement, service upon whom shall be deemed completed whether or not forwarded to or received by Glencore.

14.17.3 Each of the Parties agrees to inform the other Parties in writing of any change of address of such process agent within 14 days of such change.

14.17.4 If such process agent ceases to be able to act as such or to have an address in England and Wales, each of the Parties irrevocably agrees to appoint a new process agent in England and Wales acceptable to the other Parties and to deliver to the other Parties within 14 days a copy of a written acceptance of appointment by the process agent.

14.17.5 Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

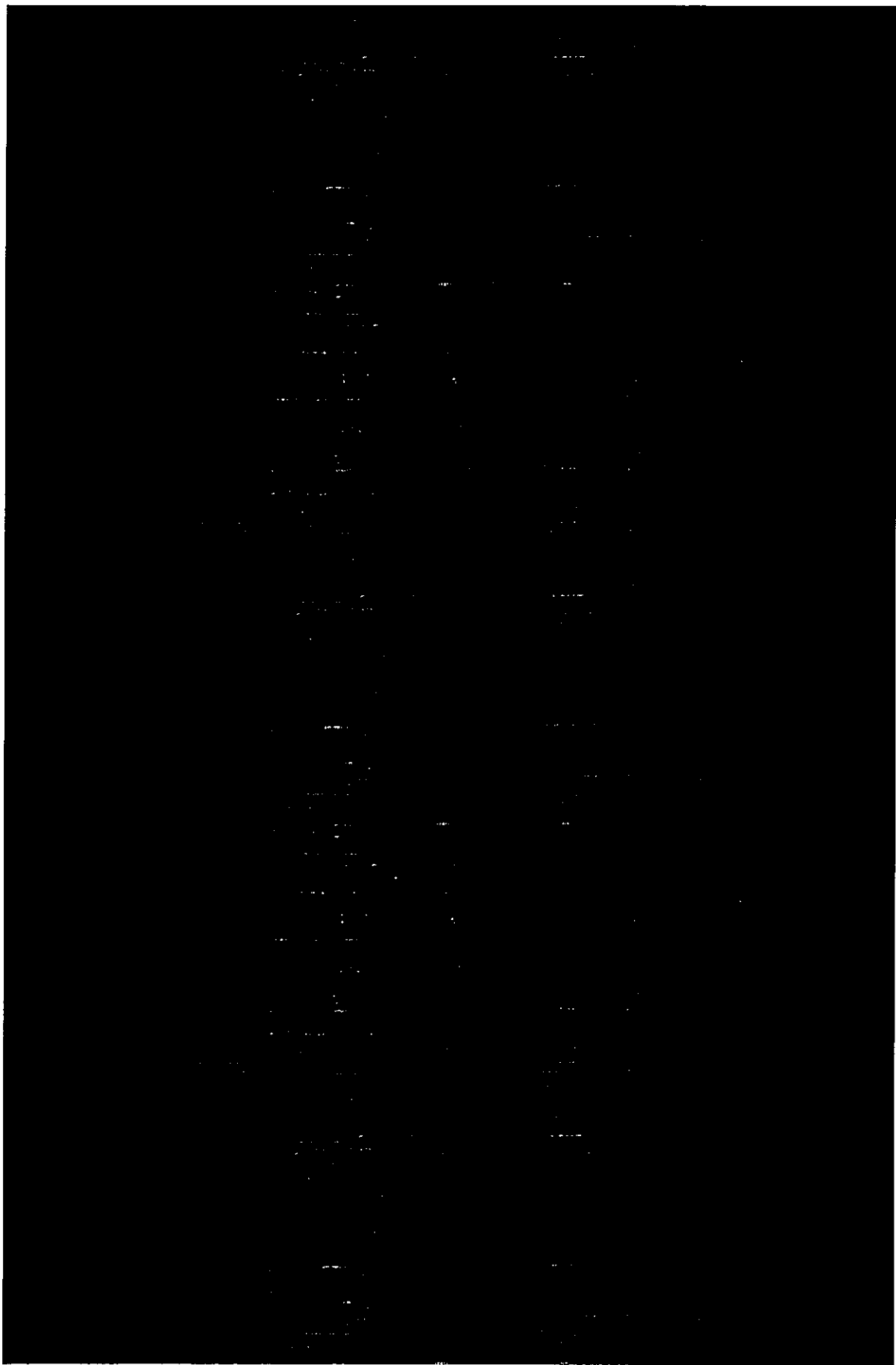
In witness of which this Agreement has been signed as a deed on the date stated at the beginning of this Agreement.

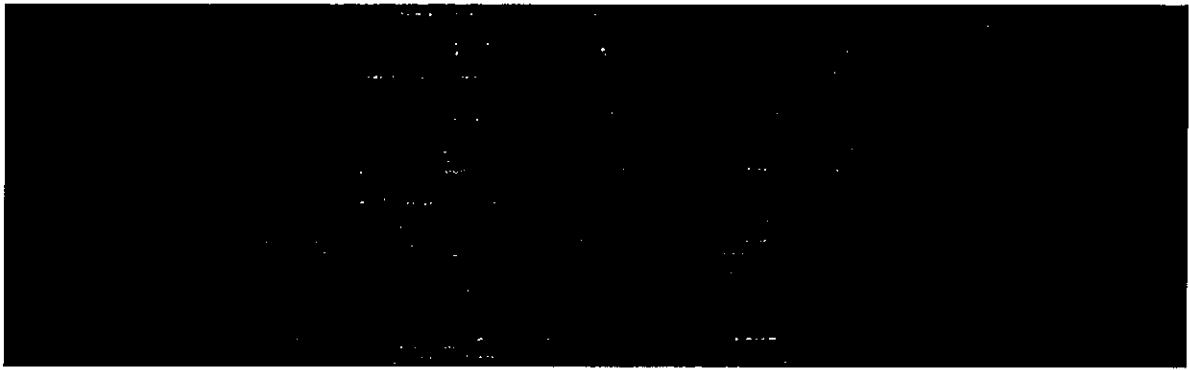


Schedule 1
Concessions and Permits

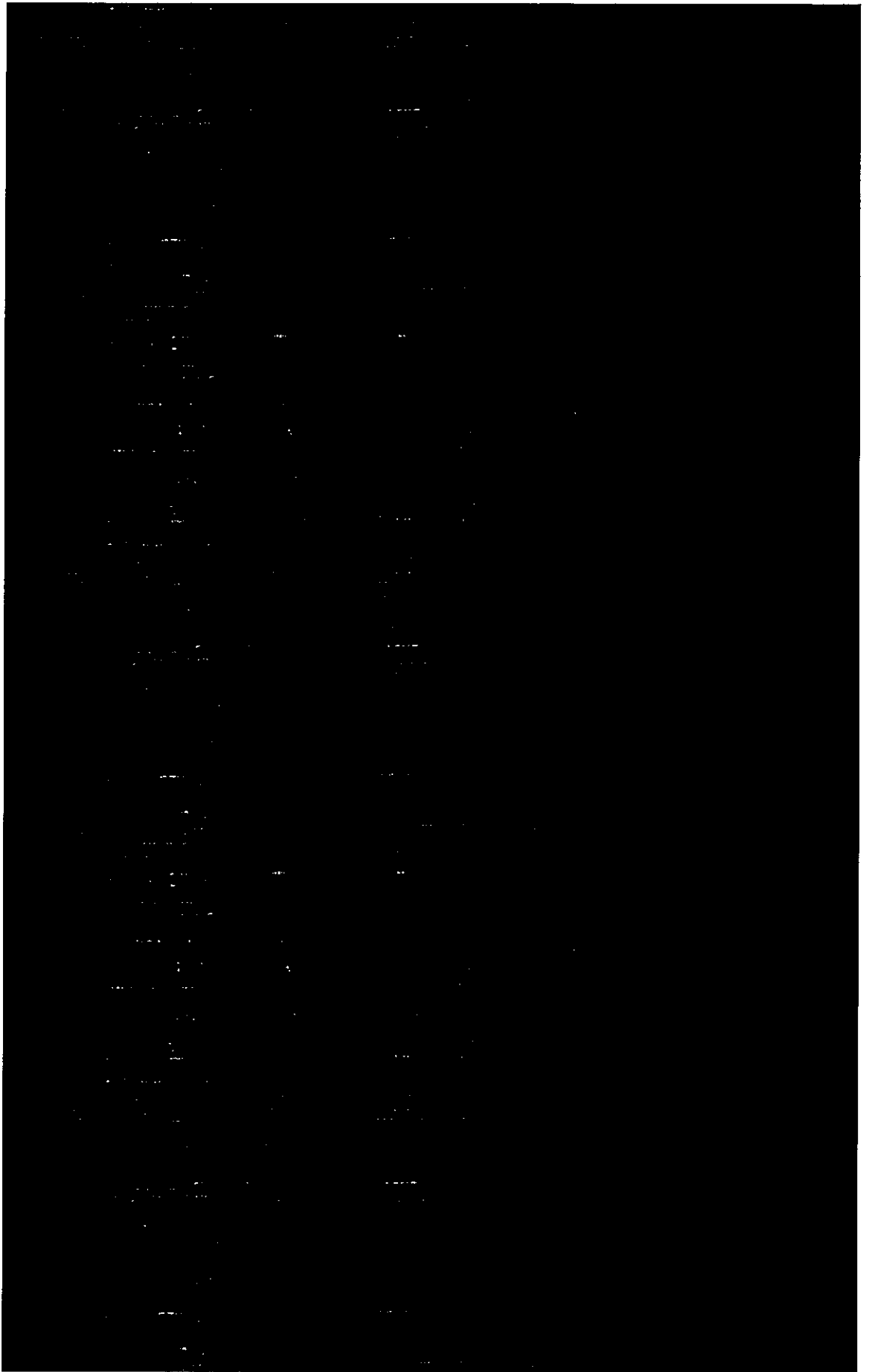
PART A: CONCESSIONS







PART B: PERMITS



Schedule 2
Undertakings

PART A: MATTERS REQUIRING GLENCORE CONSENT

1

2

3

4

5

6

7

8



PART B: ACTIONS REQUIRED OF SOLID AND THE SOLID GROUP

1

2

3



4



5

6

7

8

9

PART C: ACTIONS REQUIRED OF GLENCORE

1



2

3

4

5

6

**Schedule 3
Warranties**

PART A: SOLID WARRANTIES

Solid warrants that:

1 Capacity and authority

1.1

1.2

1.3

1.4



2 Good standing

2.1



3 Conduct of business

3.1

3.2

3.3

3.4

3.5

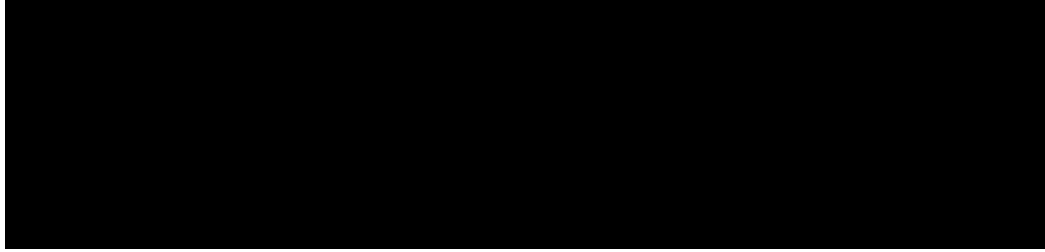


4 Concessions

4.1



4.2

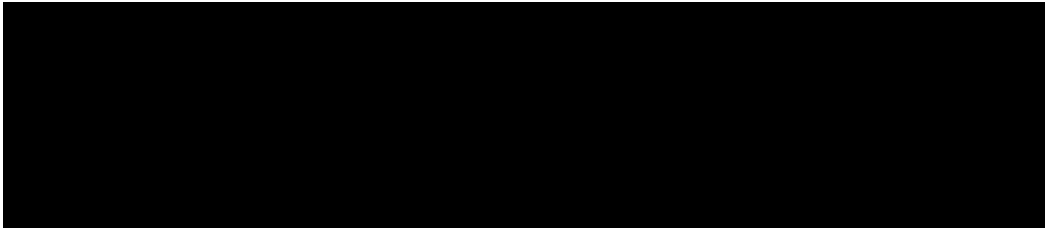


5 Permits

5.1

5.2

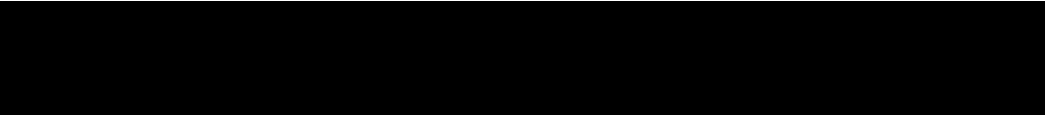
5.3



6 Concession Agreement

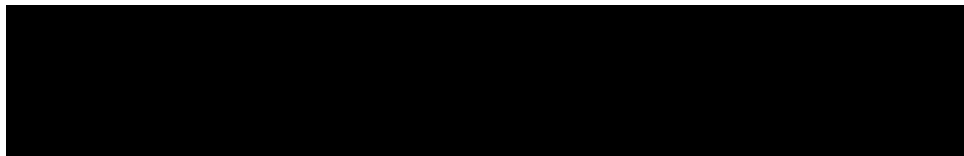
6.1

6.2



6.2.1

6.2.2

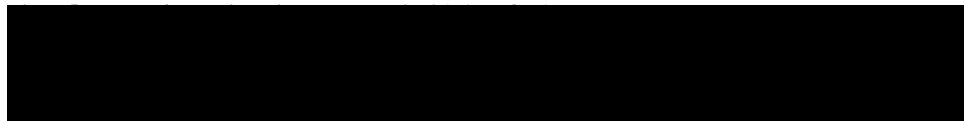


6.3



6.3.1

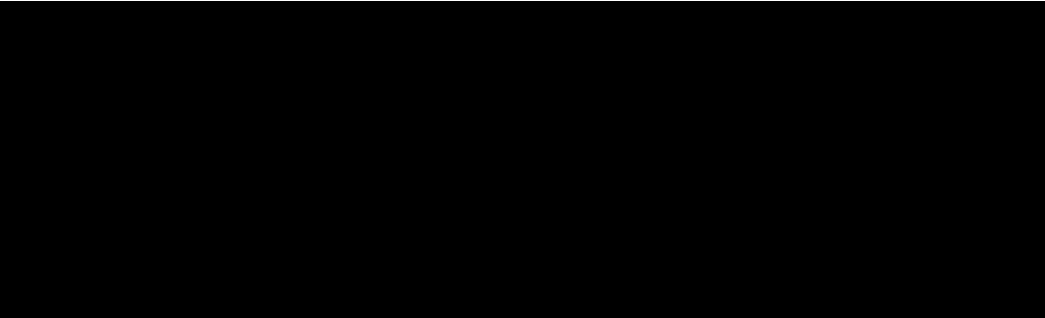
6.3.2



7 Other Licences

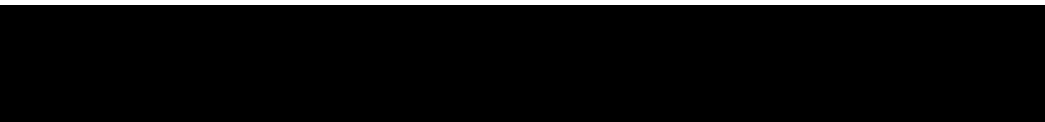
7.1

7.2



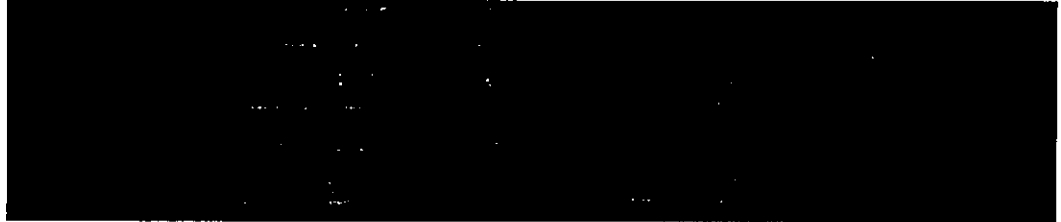
8 Compliance with Laws

8.1

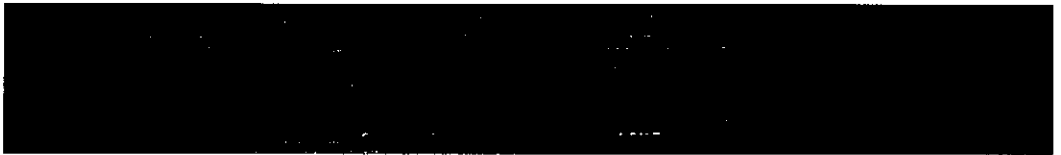




8.2



8.3



8.4



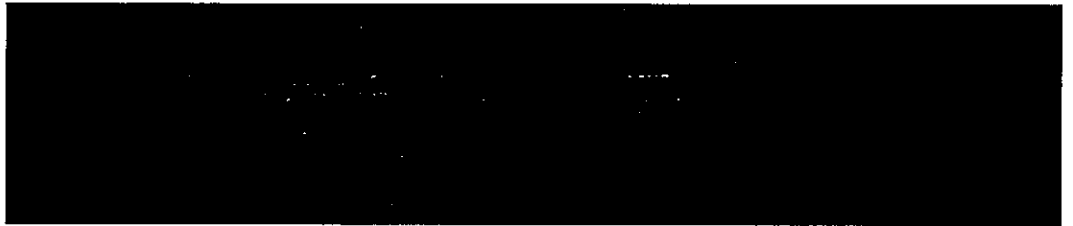
8.4.1



8.4.2



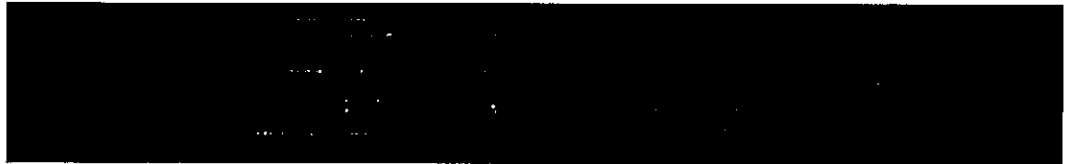
8.5



8.6



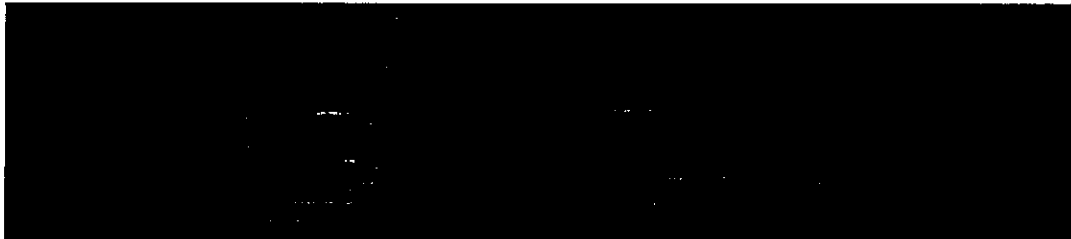
8.7





9 Warrants

9.1



9.2

PART B: GLENCORE WARRANTIES

Glencore warrants that:

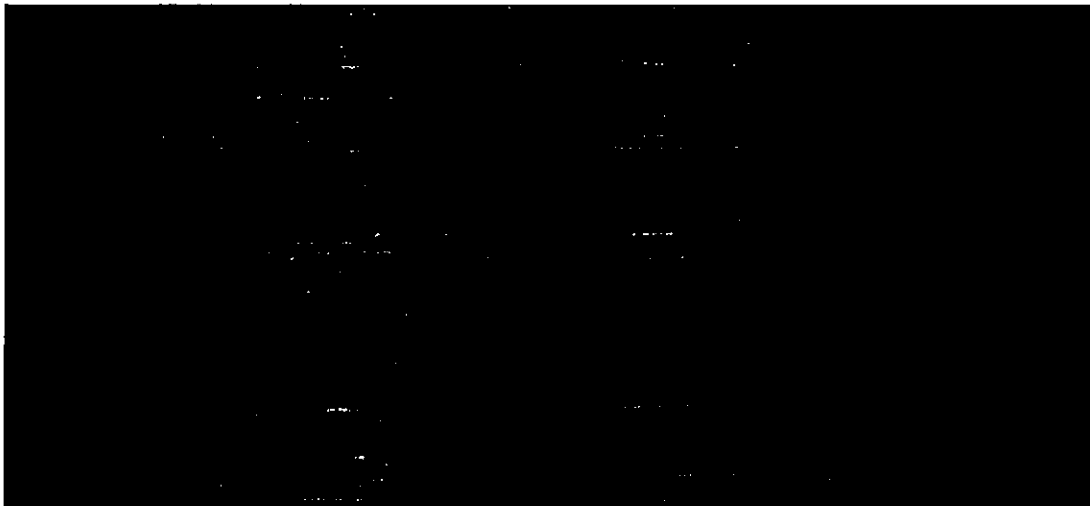
1 Capacity and authority

1.1

1.2

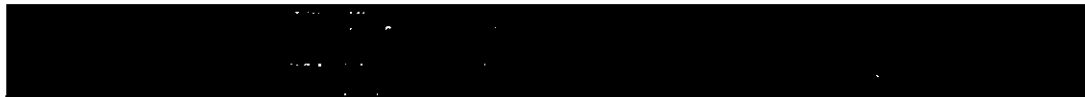
1.3

1.4



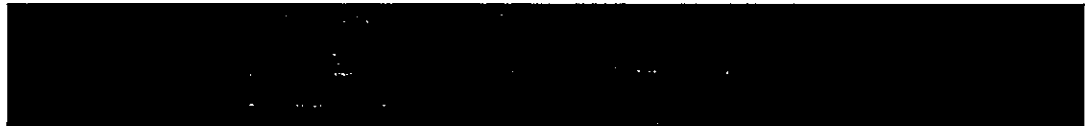
2 Good standing

2.1



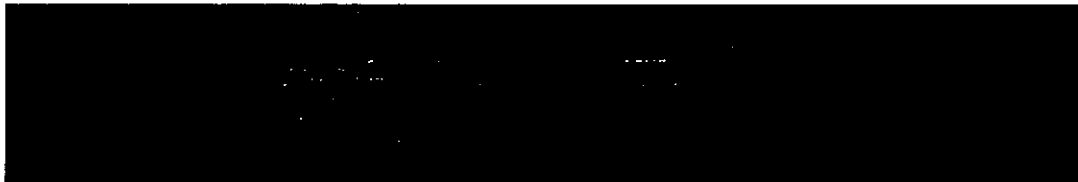
3 Conduct of business

3.1



4 Warrants

4.1



Schedule 4
Joint Venture Agreement

[Redacted due to Confidentiality Provisions]

**Schedule 5
Offtake Agreement**

[Redacted due to Confidentiality Provisions]

Schedule 6
Solid Announcement