

COMMODITY:	Gold Bars (AU Metal)
FORM:	12.5Kg each bar form, meeting GLD specification.
PURITY:	Fineness 999.5 per 1,000 minimum.
QUANTITY:	Two Hundred (200) Metric Tons with Rolls and Extensions, with a minimum term of 12 months, or as otherwise agreed.
INITIAL TRANCHE:	Twenty (20) Metric Tons (Minimum of Proof of Funds Confirmation)
DELIVERY:	FOB - Hong Kong to Buyer approved refinery
HALLMARK:	Internationally Recognized Hallmark <Johnson Matthey>
REFINERY AGE:	Assay Certificate less than Five (5) Years.
LOCATION:	Private, Secured Insurance Warehouse, Hong Kong at TTM.
CURRENCY:	USD (United States Dollars) / EUR (European Union)
PAYMENT:	Ledger-to-ledger/Bank-to-Bank at HSBC Hong Kong Headquarters, or by Swift B2B
SELLING PRICE:	As set by the "London Bullion Market Association" Second Fixing (pm) for Gold Bullion (Au) and displayed by the "LBMA". In the event that the "LBMA" is not operating on that scheduled day, the price calculation used shall be based on the second LBMA fixing of the next market opening day.
DISCOUNT:	Gross: Eleven percent (11%). Net: Eight percent (8%) to the Buyer.
CONSULTANT FEE:	Three percent (3.0%) One point Five percent (1.5%) to the Seller's side (Closed). One point Five percent (1.5%) to the Buyer's side.

The Irrevocable Master Fee Protection Agreement (IMFPA) will be made an integral part of the Contract / Sale and Purchase Agreement (SPA).

---- End of Section – 1 ----

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SECTION – 2: DOCUMENTS

Seller shall be able to authenticate, provide and guarantee all documents and each tranche shall be accompanied by the following documents:

1. Certificate(s) of Origin.
2. Certificate of Legal Ownership.
3. Certificate of Insurance.
4. Export Permit-Export License by Government of Exportation (HK)
5. Certificate of Deposit
6. Private Insurance
7. Warehouse Safe Keeping Receipt (WSKR).
8. Internationally accepted Assay Certificate less than Five (5) years.
9. Four (4) copies of Commercial Invoices in favor of Buyer.
- 10. Certificate of Weight list describing each bar as follows:**
 - I. Serial Number stamped on each bar.
 - II. Fineness 999.5 as stamped on each bar.
 - III. Packing List.
 - IV. Raw and Total Weight 12.5 Kg as stamped on each bar.
11. Receipt of Custom, Duties & Taxes Clearance Payment.
12. Custom Duty Certificate/Warrant of Gold Bars are free and clear of all liens and encumbrances and freely Tradable and Exportable and are of Non – Criminal Origin.
13. Resource Confirmation Issued by the Government of Exportation.

---- End of Section – 2 ----

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SECTION – 3: TERMS AND CONDITIONS

- **PROOF OF FUNDS (POF)**

The POF, for the face value of the first tranche of Twenty (20) Metric Tons estimated at an amount of One Billion and Five Hundred Million United States Dollars (USD1,500,000,000.00) against **Transaction Reference Number: (tba in the SPA)**, shall be verified via secured banking communication, on a Bank-to-Bank or Ledger-to-Ledger basis, to be conducted by Bank Officer-to-Bank Officer, within 72 hours (this timeline is to be confirmed after the Seller's Bank Officer (SBO) and the Buyer's Bank Officer (BBO) fully accept to exchange the POF and POP after Contract/SPA has been lodged with their respective banks.

If the SBO and BBO are of the same Bank (HSBC) then the POF can be exchanged via internal bank communication (Ledger-to-Ledger). If the Buyer's Bank is not HSBC, then the POF has to be sent by MT199.

- **PROOF OF PRODUCT (POP)**

Proof of Product will be simultaneously exchanged with the POF between the Seller's Bank Officer and the Buyer's Bank Officer via secure bank to bank communication. In the event the Buyer's Bank is not the same bank as the Seller's transacting bank (HSBC), as confirmed in the SPA– then POP shall be confirmed via Seller's SWIFT MT 600, or copy of POP shall be delivered via Bank Courier to Buyer's nominated Bank in Hong Kong.

Upon the POF and POP verification being successful, an Invitation Letter will be sent to Buyer and his/her appointed parties to attend the TTM at Seller's Bank - HSBC, HK. The Invitation Letter will be sent within 1 banking day or more, depending on the Buyer's delivery and all its parties [maximum 5 persons] disclosing all information (passport, title and position). To issue the letter and TTM timeline depends on whether the Buyer has more questions, before the bank officer certifies and endorses the contract documents, as the banking process is not in the Seller's control.

At the same TTM, Seller should present full Proof of Product certified documents via Seller's Bank and Warehouse. The product will be sold after the assay report of the Buyer's refinery is issued. Both parties agree to the result of the assay report.

NOTE: POF and POP confirmations must quote **Transaction Reference Number: (tba in SPA)**.

- **DELIVERY**

Seller takes responsibility for securing and managing transport of the first tranche of Twenty (20) Metric Tons, and subsequent tranches of Gold Bars, to Buyer's Refinery and guarantees the commodity can be exported without any restriction.

Seller will be only responsible for providing packing, uploading, and transportation, and with full security, inland in Hong Kong (FOB) of first tranche and subsequent tranches of Gold Bars

The Buyer will be responsible for paying the cost of assaying.

The delivery of commodity will be in accordance with the delivery schedule listed of Addendum-B in the SPA.

Further delivery of subsequent tranches will be made in the same way as above-mentioned terms and conditions and procedure. Size/Quantity of tranche and frequent lifts are to be followed according to a schedule to be mutually agreed by both parties until the commodity, with possible rolls and extensions described in Section-1, has been exhausted.

The first Tranche shall be considered finalized when payment has been made and title transferred to the Buyer has been completed. The above Procedure, stated herein, shall be repeated until the contractual quantity is reached. Rolls and Extensions are determined by the Seller and Buyer agreement at TTM.

The above Procedure shall be repeated (subject to storage availability) at the sole discretion of the Seller, until all of the **Two Hundred (200) Metric Tons** of Gold Bars, with possible rolls and extensions, have been purchased.

Both parties shall adhere to all terms and conditions as stated in the SPA and shall not at any time make any contract with any external entity concerning this SPA/gold transaction, without the documented approval from the other party. Any infringement shall automatically render this contract null and void.

- **PAYMENT INSTRUCTIONS**

Full-Funds-Release, automatically and irrevocably by **Swift MT103**, equal to Ninety-point Five percent (**90.5%**) equivalent in **USD/EUR** of LBMA second fix price of the day. Gross 11% discount, Eight percent (8%) net to Buyer. One-point five percent (1.5%) to Buyer's Mandate and Facilitators and one-point five percent (1.5%) to Seller's Mandate and Facilitators. The Seller shall transfer Ownership and true original documents representing the applicable tranche after the commodity has been assayed by the Buyer's refinery in Hong Kong.

DISCOUNT as follows: Gross Eleven percent (11%) and Eight percent (8%) net to Buyer.

NOTE: The Parties must be in compliance with Anti-Money Laundering Law and with all other relevant National and International Regulations in place as indicated also in SECTION 8.

- **CONSULTANT FEES:** Three percent (3%)

Seller as Paymaster for Seller Side: One point Five percent (1.5%) to Seller's Mandates and Facilitators to their nominated Banks account in USD/EUR.

Buyer as Paymaster for Buyer Side: One point Five percent (1.5%) to Buyer's Mandates and Facilitators to their nominated Banks account in USD/EUR.

- **PURCHASE PRICE**

The agreed price is the quoted price in **USD/EUR** on the day of transaction as set by the "**London Bullion Market Association (LBMA)**" Second Fixing (pm) for Gold Bullion (AU), and displayed by the "**LBMA**". In the event that the "**LBMA**" is not operating or has not yet

Fixing of the previous market closing day.

Note: Day-of-Transaction is defined as the day when the Buyer accepts ownership or possession of the Gold Bars. This day shall be used to fixing the price of the gold bullion applicable for the Tranche.

- **CONFIDENTIALITY/ NON-CIRCUMVENTION/NON DISCLOSURE**

All parties, including the Buyer/Buyer's Mandate, Seller/Seller's Mandate, Representatives, Consultants, Facilitators, Intermediaries and Agencies or Individuals, with whom negotiation or contracts have been negotiated or entered into, shall be obligated to this Agreement. Copies of this SPA will be remitted and retained between only the principal signatories as contained and identified herein with the exception of copies being given to bankers, attorneys and paymasters/intermediaires to complete the transactions. This obligation shall apply to the transactions encompassed by this Agreement and shall continue for a period of Five (5) years from the final completion/termination of this Agreement as recognized by the **International Chamber of Commerce (ICC)**. Publication 664 (or latest revision) with regards to rules, laws and provision governing confidentiality.

The Parties, individually and their officers, directors, trustees, agents, attorneys, and representatives, represent warrant and agree that under no circumstances or eventuality will they circumvent or attempt to circumvent, directly or indirectly the involvement of one or any other party or person or persons that introduced the respective Parties to this Agreement. This provision shall, in any and all ways, pertain to any of the transactions created by this Agreement now or in the future and shall remain a joint and several obligations on all Parties, their officers, directors, trustees, agents, Attorneys and representatives for a period of five (5) years as recognized by the International Chamber of Commerce (ICC) Publication 619 (or latest revision) with regards, rules, laws, and provisions governing Non- Circumvention and Non- Disclosure.

- **TAXES**

Commission fees in the form of fiat currency species, are paid by the Buyer within the Purchase Price, unless specified otherwise, and distributed by the Buyer's authorized Banker on same day that the Seller is paid, with the Seller's side going to Seller's Paymaster, Buyer side going to Buyer's Paymaster. The Seller and the Buyer shall be responsible for their own taxes.

- **CONTRACT DURATION**

This **Sale and Purchase Agreement "SPA"** shall remain in effect from the date this SPA is signed for both parties to execute the Procedures outlined in Section-4 for the Trial tranche lift and then shall remain valid and in full effect until the total quantity, with possible rolls and extensions described in Section-1 has been exhausted as per a tranche/Lifting Schedule agreed to by the Parties.

SECTION - 4: TRANSACTION PROCEDURE – TERMS AND CONDITIONS

- The Buyer and the Seller hereby agree to and fully accept via signing and returning to the Seller of the **Full Corporate Offer (FCO)** for the execution of the Transaction including any assignment of this Agreement by the Buyer or the Seller to a Third Party. The Buyer and the Seller agree to complete the **Sales and Purchase Agreement (SPA)** and **Irrevocable Master Fees Protection Agreement (IMFPA)** and **Non-Circumvention and Non-Disclosure Agreement (NCNDA)** with the Buyer's and the Seller's full Bank coordinates, sign and seal the contract via electronic signature first and later in person in **Four (4)** copies. Thereafter, the Buyer and the Seller shall exchange **Two (2)** Original copies to each other. The Buyer and the Seller agree to set the date to lodging the above contract documents within **One (1)** Banking Day after signing the SPA, the Seller and Buyer shall deliver one original copy of each aforesaid document to the appointed Bankers therein stated in his Sales and Purchase Agreement (SPA). The Buyer and the Seller will then notify each other immediately.

The Seller's Bank Officer will contact (via Telephone Calls through the registered Bank phone) the Buyer's Bank Officer to confirm that the contract has been lodged with the respective banks and the Seller Bank Officer and Buyer Bank Officer confirm to each other that they are ready to implement the transaction with full banking responsibility. And upon confirmation of POF available for first shipment and confirming POP of gold bullion (AU) availability, Buyer and Seller are Ready, Willing and Able to proceed with liftable and exportable Au Bullion without any government / related fee, encumbrances, or liens by doing so whatsoever.

NOTE: the BBO is requested to return his call immediately for identification purpose confirming the ongoing transaction within 24 hours, if BBO fails to return the telephone call of the SBO, then the SPA shall be immediately terminated, and Buyer shall be deemed to have defaulted.

- Verification for Security Clearance: Transaction is conducted by due diligence on a "Bank-to-Bank" basis via Seller's Bank Officer (SBO) to liaise with Buyer's Bank Officer (BBO) with full Bank Responsibility. SBO shall first contact the BBO via secured banking communication to confirm the contract has been lodged in accordance with the transaction procedure, its terms and conditions, acknowledge the existence of the said SPA indicating **Transaction Reference Number: xxxxxxxx (tba)**
- For the Verification of the Proof of Funds (POF) and Proof of Product (POP), the Seller's Bank Officer and the Buyer's Bank Officer shall conduct to establish a window time for POF confirmation of first shipment 20MT value and POP confirmation with a full package of certified product documents upon positive available funds confirmation, both POF and POP.
- Upon the POF and POP verification being successful, an Invitation Letter will be sent to the Buyer and his/her appointed parties to invite Buyer and his/her appointed parties to attend the TTM at Seller's Bank - HSBC, HK (the timeline for this: within 1 banking day).

- Buyer's Bank should deliver a Letter of Credit to the Seller's nominated Bank HSBC, Hong Kong, to cover the first tranche for shipment of 20MT of gold bars before the gold is delivered to the Buyer's refinery for assay.
- Transfer of Ownership of Gold Bars shall take place at the Buyer's refinery after the Buyer has instructed his refinery to release the new assay report and payment has been made.
- Delivery of commodity will be accordance with delivery schedule Appendix-2 in SPA.
- The Seller will be responsible for Gold Bars (AU) of the first tranche and subsequent tranches with regards to the Buyer's refinery in Hong Kong. Furthermore, the Seller guarantees that the commodity can be exported without any restrictions.
- Further deliveries of subsequent tranches will be made in the same way as above-mentioned terms and conditions and procedures. Size/quantity of tranche and frequency of lifts are to be followed according to schedule as mutually agreed of both parties until the commodity is exhausted.
- Full-Funds-Release equivalent in USD/EURO to the Seller's account by Swift MT103 automatically and Irrevocable, the Seller shall transfer Ownership of the WSKR representing the Gold Bars (AU) to the Buyer's name and delivery of the true originals of all the documents representing the applicable Tranche.
- Both parties shall adhere to all terms and conditions stated in the SPA and shall not at any time alter the contract without written approval from the other party. Any infringement shall render this contract automatically terminated.

---- End of Section – 4 ----

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SECTION - 5: PROFESSIONAL AND ADMINISTRATION FEE

Commissions in the form of fiat currency (USD) are paid by the Buyer within the Purchase Price, unless specified otherwise, and distributed by the Buyer's Authorized banker or escrow attorney, on same day as that the Seller is paid: with the Seller Side going to Seller's Paymaster, Buyer Side going to Buyer's Paymaster.

- Allocation of Seller Side fees and commissions are at the exclusive discretion of the Seller & Seller Mandate. Allocation of Buyer Side fees and commissions are at the exclusive discretion of the Buyer & Buyer Mandate.
- All fees and commissions are to be released by paymasters immediately to beneficiaries as per any Fee Agreement accompanying an Agreement.
- Fee beneficiaries, either natural or legal persons or their authorized representatives, found to have acted inappropriately or unethically can forfeit any and all claims, rights and ownership of any fees and commissions, at the considered discretion of the Principal, End-Seller and End-Buyer.

The following pages will be added to the SPA and are considered by all PARTIES to be an integral part of the SPA:

Appendix-A: Banking Details **Appendix-B:** Tranche Schedule **Appendix-C:** Letter of Authorization **Appendix-D:** NCNDA/IMFPA

SECTION - 6: NOTWITHSTANDING CLAUSE

Notwithstanding all Articles mentioned herein the above agreement, the Buyer shall make full and immediate payment to the Seller's Bank account upon transfer of ownership of the Seller's Gold Bars to the Buyer.

SECTION - 7: ADDENDUMS ANNEXES

This Agreement is valid and in full force together with any existing or future Addendums and Annexes which have been duly signed by the two main signatories of this Agreement.

---- End of Section – 7 ----

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SECTION - 8: DEFINITIONS

The Seller and the Buyer each declare to be in **CONFORMITY WITH INTERNATIONAL REGULATIONS** and that the origin of the funds used for purchasing the commodity do not contravene any of the following LAWS or is in connection with any other illegal or criminal activity:

- The Drug Trafficking Act of 1986.
- The Criminal Act of 1988.
- The Prevention of Terrorism (Temporary Provisions) Act of 1989.
- The Criminal Justice (International Cooperation) Act of 1990.
- The Criminal Justice Act of 1993.
- Trade Secret of 1979: Economic Espionage Act of 1993[18 U.S.C. 1839 (3)]
- The Anti-Terrorism Act and the Patriot Act I and II.

This Agreement shall be governed by and construed in accordance with the law of England and any dispute arising thereof shall be subject to the Jurisdiction of English Courts.

---- End of Section – 8 ----

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