Court File No.: CV-13-10107-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **GHANA GOLD CORPORATION, GHANA GOLD INC., COASTAL EXPLORATIONS LIMITED and ABURI GOLDFIELDS GHANA LTD.**

Applicants

AFFIDAVIT OF A. THOMAS GRIFFIS
(sworn on May 22, 2013)

May 22, 2013

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

John T. Porter (LSUC# 23844T)
Tel: (416) 304-0778 / Email: jporter@tgf.ca

Kyla E.M. Mahar (LSUC# 44182G)
Tel: (416) 304-0594 / Email: kmahar@tgf.ca

Alana V. Shepherd (LSUC# 58436S)
Tel: 416-304-0597 / Email: ashepherd@tgf.ca

Fax: 416-304-1313

Lawyers for the Applicants

SERVICE LIST

(AS AT MAY 22, 2013)

TO: **THORNTON GROUT FINNIGAN LLP**
Suite 3200, 100 Wellington Street West
P.O. Box 329, Toronto-Dominion Centre
Toronto, ON M5K 1K7

John Porter
Tel: (416) 304-0778
Fax: (416) 304-1313
Email: jporter@tgf.ca

Kyla Mahar
Tel: (416) 304-0594
Fax: (416) 304-1313
Email: kmahar@tgf.ca

Alana Shepherd
Tel: (416) 304-0597
Fax: (416) 304-1313
Email: ashepherd@tgf.ca

Lawyers for the Applicants

AND TO: **GHANA GOLD CORP.**
70 York St., Suite 1410
Toronto, ON M5J 1S9

Thomas Griffis
Fax: (416) 867-9320
Email: Tom@griffis.ca

Michael Campbell
Fax: (416) 867-9320
Email: Michael@griffis.ca

Applicants

AND TO: **ERNST & YOUNG INC.**
Ernst & Young Tower
222 Bay St., 32nd Floor, P.O. Box 251
Toronto, ON M5K 1J7

Fax: (416) 943-3300

Alex Morrison
Tel: (416) 941-7743
Email: alex.f.morrison@ca.ey.com

Simone Carvalho
Tel: (416) 943-2085
Email: simone.carvalho@ca.ey.com

Allen Yao
Tel: (416) 943-3470
Email: allen.yao@ca.ey.com

Court-appointed Monitor

AND TO: **PALLETT VALO LLP**
77 City Centre Dr.
West Tower, Suite 300
Mississauga, ON L5B 1M5

Gregory Azeff
Tel: (905) 273-3022 ext.264
Fax: (905) 273-6920
Email: gazeff@pallettvalo.com

Asim Iqbal
Tel: (905) 273-3022 ext. 232
Fax: (905) 273-6920
Email: aiqbal@pallettvalo.com

Lawyers for the Court-appointed Monitor

AND TO: **AIRD & BERLIS LLP**
Brookfield Place, Suite 1800
181 Bay St., Box 754
Toronto, ON M5J 2T9

Ian Aversa
Tel: (416) 865-3082
Fax: (416) 863-1515
Email: iaversa@airdberlis.com

Steven Graff
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Lawyers for FCMI Parent Co.

AND TO: **ZEIFMAN PARTNERS INC.**
1 Toronto Street
P.O. Box 28, Suite 910
Toronto, ON M5C 2V6

Allan Rutman
Tel: (416) 861-1487 ext. 287
Fax: (416) 256-4001
Email: arutman@zeifman.ca

Financial Advisor to FCMI Parent Co.

AND TO: **MCLEAN & KERR LLP**
Suite 2800, 130 Adelaide Street West
Toronto, ON M5H 3P5

S. Michael Citak
Tel: (416) 369-6619
Fax: (416) 366-8571
Email: mcitak@mcleankerr.com

Gus F. Camelino
Tel: (416) 369-6621
Fax: (416) 366-8571
Email: gcamelino@mcleankerr.com

Lawyers for Minatura (BVI) Ltd.

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Applicants

AFFIDAVIT OF A. THOMAS GRIFFIS
(sworn May 22, 2013)

I, A. THOMAS GRIFFIS, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am the Chief Executive Officer and the Chairman of the Board of Directors of Ghana Gold Corporation ("**GGC**") and a Director of Ghana Gold Inc. ("**GG BVI**"), Coastal Explorations Limited ("**Coastal**") and Aburi Goldfields (Ghana) Ltd. ("**Aburi Goldfields**" and collectively, "**Ghana Gold Group**" or the "**Applicants**"). As such, I have personal knowledge of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and believe it to be true.

2. All references to currency in this Affidavit are to U.S. Dollars, unless otherwise indicated.

3. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in my Affidavit sworn on May 8, 2013 (the "**First Affidavit**") sworn in support of an application (the "**Application**") for an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), in respect of the Applicants, which was granted by Mr. Justice Newbould on May 9, 2013 ("**CCAA Proceedings**"). A copy of the First Affidavit is contained at Tab 2 of the Applicants' Application Record dated May 8, 2013.

A. THE PURPOSE OF THIS AFFIDAVIT

4. This Affidavit is sworn in response to the Affidavit of Tod Turley sworn on May 17, 2013 (the "**Turley Affidavit**") in support of the motion brought by Minatura (BVI) Ltd. ("**Minatura**") seeking, among other things:

(a) a declaration that Aburi Goldfields did not consent to being an Applicant in the CCAA Proceedings;

(b) an order that Aburi Goldfields' Application for relief under the CCAA Proceedings is stayed and/or deemed withdrawn;

(c) a declaration that the definition of Property as set out in paragraph 4 of the Initial Order does not include a Aburi Goldfields' current and future assets or its undertakings and properties of any nature and kind whatsoever, and wherever situation [sic] including all proceeds therefrom; and

(d) in the alternative, directions from the Court about how the already pending dispute between Coastal and Minatura over control of Aburi is to be determined and, in particular, for an Order that said dispute be determined by way of a currently pending action in Ghana, and appropriate stays of the CCAA Proceedings in the interim.

5. The Applicants are of the view that the relief sought by Minatura should not be granted by this Court and that the protections granted under the Initial Order should continue to apply to all of the Applicants including Aburi Goldfields. As discussed below, the Minatura Agreement was properly terminated, Minatura is not a shareholder of Aburi Goldfields and Aburi Goldfields was properly authorized to commence these CCAA Proceedings.

6. For the reasons expanded on below, I stand by the evidence contained in my First Affidavit.

B. THE TERMS OF THE JV AGREEMENT

7. As set out in my First Affidavit, Coastal and Minatura entered into a joint venture shareholders agreement dated April 27, 2012 (the "**JV Agreement**"). The "**Effective Date**" under the JV Agreement is April 27, 2012. As at the Effective Date, Aburi Goldfields had not yet been incorporated in Ghana. A copy of the JV Agreement is attached as Exhibit "M" to my First Affidavit.

8. The JV Agreement was fully negotiated between sophisticated commercial parties, each with the benefit of legal counsel.

9. Aburi Goldfields was subsequently incorporated on June 5, 2012. A copy of the Certificate of Incorporation and Regulations of Aburi Goldfields is attached as Exhibit "E" to my First Affidavit.

10. The Regulations of Aburi Goldfields appointed Robert Griffis and Innocent Akwayena as the original directors of Aburi Goldfields, and named Robert Griffis as sole shareholder.

11. Section 5.1 of the JV Agreement contemplated that the initial members of the board of directors of Aburi Goldfields would be Joe Wojcik and Tod Turley (as Minatura appointees) and Bob (Robert) Griffis and Tom Griffis (as Coastal appointees). As a result, the sole shareholder of Aburi Goldfields, Robert Griffis, signed a resolution dated June 19, 2012 (the "**June 19, 2012 Resolution**") appointing Tod Turley, Joe Wojcik, and I as directors along with himself. As a result, the directors of Aburi Goldfields at June 19, 2012 were Robert Griffis and I (Coastal appointees) and Tod Turley and Joe Wojcik (Minatura appointees). The sole shareholder of Aburi Goldfields at this time remained Robert Griffis. A copy of the June 19, 2012 Resolution is attached hereto as **Exhibit "A"**.

12. Pursuant to section 3.1(a) of the JV Agreement, each of Coastal and Minatura were to receive an initial 50% participating interest in Aburi Goldfields subject to the terms of the JV Agreement. In exchange for its 50% participating interest, Minatura was required to deliver, among other things, certain equipment at Minatura's sole cost and expense as set out in Schedule 7.3 (c) to the JV Agreement, without liens and encumbrances (except as permitted in Section 7.3(c) of the JV Agreement), in good condition and working order to the reasonable satisfaction of Coastal (the "**Contributed Equipment**").

13. The Contributed Equipment: (i) was to be owned beneficially by Aburi Goldfields and held for its benefit, and for its sole and exclusive use; (ii) was to be delivered by no later than the Equipment Delivery Date (as defined below); (iii) was not be rented or leased, except under

certain temporary and narrowly circumscribed constraints; and (iv) was to be free and clear of all liens or encumbrances, except as specifically permitted in the JV Agreement.

14. Section 3.1(b) of the JV Agreement contemplated that shares of Aburi Goldfields would be issued to Minatura after it wire transferred $480,000 to Ghana Rae Gold Mines Limited (the "**Operator**") as contemplated by section 7.3(a). These shares were to be placed in escrow with an escrow agent and released to Minatura immediately once all of the Contributed Equipment arrived at the Aburi property as contemplated in section 7.3(a).

15. Minatura made certain cash payments (including the $480,000 discussed above) and delivered 2 of 11 specified pieces of the Contributed Equipment (being the two (2) Komatsu PC350 excavators referenced in section 7.3(a)). The balance of the Contributed Equipment set out in Schedule 7.3(a) was not delivered by Minatura as required by the JV Agreement. In fact, Minatura does not dispute that the Contributed Equipment has never been delivered.

16. The balance of the Contributed Equipment was to be delivered by the "**Equipment Delivery Date**" as defined under the JV Agreement. "**Equipment Delivery Date**" is defined under the JV Agreement as the date that is thirty (30) days after delivery of the Certificate specified in Schedule C to the JV Agreement, confirming that the Ghana Environmental Protection Agency ("**EPA**") had issued the environmental license necessary to conduct production on the Aburi property and attaching a copy of such license.

17. Section 7.3(a) of the JV Agreement provides that if <u>all</u> of the Contributed Equipment has not arrived as the Aburi property by the Equipment Delivery Date, the JV Agreement shall terminate and be of no further force and effect and Minatura will not receive any shares of Aburi Goldfields and will be reimbursed for the funds provided to the Project (as defined in the JV

Agreement) to date; provided however that in the case of non delivery of the Contributed Equipment by the Equipment Delivery Date, Coastal shall provide Minatura with written notice that all the Contributed Equipment has not arrived and Minatura shall have a twenty (20) day period from the date of such notice to cure the deficiency.

18. These delivery provisions were fundamental to the JV Agreement. The board of directors of Coastal's parent company, GGC, required these specific provisions to be included in the JV Agreement as a condition to approving the execution of the JV Agreement. In other words, the JV Agreement contained important safeguards and protections, without which Coastal would not have received the requisite corporate authority to enter into the JV Agreement.

C. ISSUANCE OF CERTIFICATE AND ENSUING DEBATE

19. On or about October 24, 2012, Romex Mining Ghana Limited ("**Romex**") was granted an Environmental Permit to undertake the Alluvial Gold Mining Project at the Aburi Project from the EPA (the "**Licence**"). As set out in my First Affidavit, Romex holds the mining rights for the Aburi Project.

20. Prior to the issuance of the Licence, the EPA received and reviewed the project environment impact statement (the "**EIS**"), which contemplated the mining at the Aburi Project to be conducted by mechanical means using rear-end tipper trucks. The Licence is then issued by the EPA, subject to the proposed mining operations as set out in the EIS.

21. I am advised by Robert Griffis that on October 29, 2012, he delivered the executed Certificate specified in Schedule C to the JV Agreement attaching the Licence by facsimile to Minatura, thus establishing the Equipment Delivery Date as November 28, 2012 (being thirty (30) days after the date the Certificate was delivered). A copy of the Certificate executed by

Robert Griffis and faxed on October 29, 2012 to the attention of Tod Turley, Chief Operating Officer of Minatura, is attached hereto as **Exhibit "B".**

22. I am also advised by Michael Campbell, Secretary of GGC, that on October 29, 2012 he emailed the faxed Certificate and a fully-executed Certificate attaching the Licence and its Schedule to Tod Turley's attention. A copy of the email to Tod Turley from Michael Campbell with attachments is attached hereto as **Exhibit "C"**.

23. Subsequent to the Certificate being delivered, a board of directors meeting for Aburi Goldfields was scheduled for November 16, 2012. On November 8, 2012, I circulated a proposed agenda for this board meeting by email to the other members of the board, among others. On November 11, 2012, Tod Turley circulated an expanded proposed agenda for the board meeting by email. The validity of the Certificate was not raised by Mr. Turley in his email as an agenda item for the board meeting. A copy of my November 8, 2012 email and Tod Turley's November 11, 2012 email are attached hereto as **Exhibit "D"**.

24. I am also advised by Michael Campbell that on November 14, 2012, Tod Turley informed Michael Campbell on behalf of Coastal that it had reviewed the EPA Environmental Permit dated October 24, 2012 and directed Coastal's attention to Section 5.11.3 of the Permit which states: "5.11.3 Transportation of Gravel - The company shall haul the gravel manually with the aid of shovel and pick axes into the gravity separation equipment." In his email, Tod Turley took the position that this subsection of the schedule annexed to the Licence essentially prohibited the use of mechanized equipment to haul and feed the gold processing plant, and as a result, Coastal needed to correct this as soon as possible as the joint venture would be in violation of the Licence. He goes on to assert that the Certificate provided by Robert Griffis on

October 29, 2012 was premature and of no effect because it did not allow the project to be operated in the intended and agreed upon manner.

25. On the same date Michael Campbell responded to Tod Turley's email that it was a valid permit entitling mining with machines and that the Certificate was delivered as required by the JV Agreement, effective its original date. I was copied on this email and on most of the emails in the chain that followed on this issue. The chain of emails spanning from November 14 to November 29, 2012 on this issue is attached hereto as **Exhibit "E".** The emails between November 26 and 29, 2012 are discussed below.

26. On November 15, 2012, Tod Turley responded to Michael Campbell's assertion by email and asked for clarification of Coastal's position. In that email, he stated as follows: "We are confident that this was an oversight and perhaps a clerical error but it needs to be corrected immediately."

27. I am advised by Michael Campbell that Coastal contacted the EPA regarding the clerical error in section 5.11.3 of the Licence. The EPA confirmed that it was simply a clerical error, provided Coastal with a replacement page for the Licence's schedule, which corrected the clerical error and confirmed that the Licence is and was always valid and effective from its original date of issue (the "**Confirmed Licence**").

28. Promptly on the same date, Michael Campbell informed Tod Turley that there was a corrected version of the EPA Permit bearing the original issue date (October 24, 2012) and that Bob Griffis would give a copy of the Confirmed Licence to Andrew Fogle of Minatura.

29. On or about November 15, 2012, Bob Griffis and I gave John Rae, Chief Operating Officer of Minatura Aluviales Corp., a copy of the Confirmed Licence with the schedule for him to give to Andrew Fogle. A copy of the Confirmed Licence delivered by Bob Griffis and I to John Rae is attached as **Exhibit "F"**.

30. A meeting of the directors of Aburi Goldfields was held on November 16, 2012 (the "**November 16th Board Meeting**"). I was present at this meeting and acted as Chairman of the meeting. Among other business conducted at the meeting, the board resolved to replace director Joe Wojcik with Andrew Fogle, another Minatura appointee. As a result, the directors of Aburi Goldfields at November 16, 2012 were Robert Griffis and I (Coastal appointees) and Tod Turley and Andrew Fogle (Minatura appointees). A copy of the minutes of the November 16th Board Meeting (the "**November 16th Board Minutes**") are attached as Exhibit 2 to the Turley Affidavit.

31. At the November 16th Board Meeting, the directors also discussed the issuance of shares of Aburi Goldfields to Minatura (to be held in escrow under the terms of the JV Agreement until Minatura delivered all of the Contributed Equipment as contemplated by the JV Agreement). The November 16th Board Minutes reflect that the directors resolved that Andrew Fogle (Minatura appointee) would look at a tax efficient way to issuing the shares under the JV Agreement, whether by transfer of existing shares held by Robert Griffis, or issuing new treasury shares, or some combination. Andrew Fogle did not report back to the board regarding this issue prior to termination of the JV Agreement or at any time subsequently that I am aware of.

32. The November 16th Board Minutes under agenda item 7 also reflect that Minatura requested amendments to the JV Agreement to allow a leasing arrangement, instead of Minatura

contributing purchased equipment as required by the JV Agreement. No agreement was reached in this regard.

33. The November 16th Board Minutes under agenda item 9 reflect an agreement reached by the board regarding the ongoing funding required by the joint venture being $100,000. It was agreed by Minatura and Coastal that each party would make $50,000 available to the joint venture (as a cash call). Tod Turley advised the board that Minatura was committed to sending its $50,000 before Thursday November 22, 2012. This amount was not paid by Minatura by November 22, 2012, or to the best of my knowledge at any time subsequently. Coastal paid its $50,000 to the joint venture in accordance with its commitment.

34. The November 16th Board Minutes do not reflect any discussion by Minatura of their issue relating to the Certificate at the November 16th Board Meeting. I do not recall this issue being raised at this meeting and thought this was no longer an issue. Otherwise, I would have expected that Minatura would have raised it at the board meeting.

35. The draft minutes were circulated to the directors by the Secretary of the meeting, Linda Antwi-Donkor, by email on November 26, 2012. The JV Agreement provides in section 5.5 that if any director has comments on the draft minutes, he or she must provide comments on the minutes within thirty (30) business days following circulation of same. The Minatura directors did not provide any revisions to the draft minutes within that time frame and the minutes were signed by the Chairman and Secretary of the meeting after the expiry of the thirty (30) business days.

36. On November 26, 2012, the issue of the validity of the Licence attached to the Certificate was again raised by Tod Turley in response to Michael Campbell's email dated November 15,

2012 discussed above. The entire trail of emails on the issue is at Exhibit "F" to this Affidavit. In summary, Mr. Turley took the position that the Confirmed Licence was not valid and that the EPA had to follow a formal procedure in order to amend the Licence.

37. I am advised by Linda Antwi-Donkor, the administrative officer of Coastal, that on November 26, 2012 she approached the EPA to see if they would be prepared to provide a letter from the EPA stating that the EPA has issued the environmental permit dated October 24, 2012, and that the permit is valid with effect from October 24, 2012. During this meeting, Linda Antwi-Donkor advised Deputy Director Ransford of the EPA that Coastal's partner had requested this clarification is writing. Ms. Antwi-Donkor advised me that the EPA advised her that it would not write such a letter since the permit they originally issued, dated October 24th was valid as of that date and therefore a letter to confirm that fact was not necessary since the permit speaks for itself.

38. I am further advised by Linda Antwi-Donkor that she discussed the contents of Tod Turley's email with the Deputy Director of the Ghana EPA and head of the EPA mining division as well as one of the EPA lawyers, who explained that changing a permit provision in favor of a proponent does not fall under Regulation 27 of LI1652, which Minatura's lawyer, Kweku Sey, claimed had been violated. The EPA lawyer recommended that Minatura's lawyer read Regulation 27 of LI1652 and conveyed that the EPA was happy to discuss this issue with Minatura and or their lawyer anytime. The EPA lawyer confirmed the Licence was valid as of October 24th, 2012.

39. As a result of the outcome of the meeting with the EPA, Michael Campbell, on behalf of Coastal, responded to Tod Turley at Minatura on November 28, 2012 by email copying me on his response as follows:

> As discussed in the past week, this is a valid EPA permit that allows mining with effect October 24, 2012. In response to your latest questions below, we met with the Deputy Director and Head of Mining of the EPA, together with the EPA lawyer, who confirmed again that the EPA permit dated October 24 which allows mechanized mining is valid as of October 24. They said the permit speaks for itself. Minatura is not correct. We provided the EPA with a copy of your comments below so there would be no misunderstanding. The EPA lawyer said that the permit does not fall under Regulation 27 and Minatura's lawyer should read Reg. 27 of LI1652.
>
> Romex is up to date on this matter, including this latest conversation.
>
> This is the second time we have gone back to the EPA to get confirmation based on your questions, and it is the second time the EPA has confirmed that this is a valid EPA permit. This is supposed to be a joint venture and we expect our partner not to attempt to create issues in order to avoid their obligations. There is no technical issue here as noted above and we find your attempts to create one both counter-productive and not conducive to our good relationship. We know you have financial problems and we don't expect you to resile from your obligations because of them.

40. Tod Turley responded to Michael Campbell's email on November 29, 2012 copying me on his response as follows:

> Michael,
>
> You telling us that a meeting occurred and that everything is fine is not evidence of compliance. I will check into the referenced regulation but our original position that the notice provision on the delivery of the EPA Permit has not started and that a new official document from the EPA still stands.

41. Michael Campbell again responded by email to Tod Turley on November 29, 2012 copying me on his response as follows:

> Your original "position" is incorrect. In addition to obtaining confirmation from the head of the EPA Mining Division and the EPA's lawyer discussed below, we also obtained a formal Ghanaian legal opinion as follows:
>
> > The EPA Permit issued on October 24, 2012 is a valid permit under the Shareholders Agreement.
> >
> > The EPA's correction of its previous error in the Schedule to the Permit does not amount to a variation of the Permit itself. Neither does it amount to an amendment of the Permit nor invalidation of the Permit.
> >
> > Under Ghana law, the EPA has a statutory right to correct any omissions or errors that it makes in the performance of its administrative functions under the Environmental Protection Act and Environmental Regulations. The issuance of permits and schedules to such permits are some of the EPA's administrative functions. The EPA has the right to correct errors and omissions that it has made on such documents. The EPA has the right to establish its own procedures for doing same. The EPA's correction of its previous error is legal and supported by statutory law. The EPA's official correction of its own error in the schedule of the Permit is legal and valid and does not invalidate the Permit dated October 24, 2012, nor does it adversely affect the Permit in any way.
> >
> > Regulation 27 of LI 1652 is not the right procedure to follow when the EPA admits its error and corrects such error to the satisfaction of the Permit Holder. Regulation 27 does not apply where there is no grievance resulting from a decision made or action taken by the EPA. Regulation 27 is inapplicable in this case and to suggest otherwise would be absurd. Neither Minatura nor any other person has the legal right to deem a permit validly issued by the EPA as invalid for whatever reason. Any such claim is not only inconsistent with the Regulations and the Permit but also amounts to mischief.
> >
> > Minatura's claim that the correction of the schedule was irregular is erroneous, and does not stop time from running. Minatura's request that Romex 'seek a properly amended

> and certified Environmental Permit' is also misplaced, as Romex already has a valid Environmental Permit and must commence construction and operations within 18 months from October 24, 2012 otherwise the Permit will lapse, and therefore should proceed without delay.

42. To my knowledge, Minatura did not take up the invitation to discuss this matter with the EPA's lawyer or Deputy Director Ransford.

43. Minatura failed to deliver any of the remaining Contributed Equipment as it was obliged to do by the Equipment Delivery Date of November 28, 2012 and has not delivered the Contributed Equipment subsequently.

44. As set out above, Minatura also did not deliver the $50,000 cash call by the deadline agreed in the November 16th Board Meeting and has not done so subsequently to the best of my knowledge.

45. In accordance with the default provisions of the JV Agreement, by written notice of default dated and delivered to Minatura on November 29, 2012 (the "**Notice of Default**"), Coastal notified Minatura: (a) that all of the Contributed Equipment had not arrived at the Aburi property by the Equipment Delivery Date; and (b) that Minatura had 20 days to cure its default, otherwise the JV Agreement would terminate and be of no further force or effect. A copy of the Notice of Default issued in accordance with section 7.3(a) is attached hereto as **Exhibit "G"**.

D. TERMINATION OF JV AGREEMENT

46. Minatura did not remedy its default. In accordance with the default provisions of the JV Agreement, by Notice of Termination dated and delivered to Minatura on December 20, 2012 (the "**Notice of Termination**"), Coastal notified Minatura that the JV Agreement was

immediately terminated and of no further force or effect. A copy of the Notice of Termination is attached to my First Affidavit as Exhibit "N".

47. After termination of the JV Agreement, the sole shareholder of Aburi Goldfields, Robert Griffis, signed a resolution dated December 21, 2012 (the "**December 21, 2012 Resolution**") removing Tod Turley and Andrew Fogle as Directors of Aburi Goldfields, appointing Linda Antwi-Donkor as a director of Aburi Goldfields and confirming Tom Griffis, Bob Griffis and Linda Antwi-Donkor as all of the directors of Aburi Goldfields. A copy of the December 21, 2012 Resolution is attached hereto as **Exhibit "H"**.

48. Bob Griffis, Linda Antwi-Donkor and myself have acted in good faith as the directors of Aburi Goldfields since the December 21, 2012 Resolution.

49. On December 24, 2012, John Rae of the Operator issued a Notice of Default to Aburi Goldfields. The Operator is a wholly-owned subsidiary of Minatura. In an email exchange between John Rae and myself that followed the issuance of the Notice of Default, John Rae confirmed that Minatura prepared the notice and that he was directed by Minatura to issue it. A copy of the email chain between John Rae and I, together with the Notice of Default is attached hereto as **Exhibit "I"**.

50. By email to Tod Turley and Andrew Fogle, among others, dated January 10, 2013, I advised that they were both removed as Directors of Aburi Goldfields. An email exchange followed between Tod Turley and myself regarding the validity of the termination of the JV Agreement and the validity of the removal of Tod Turley and Andrew Fogle as directors. A copy of these email exchanges is attached hereto as **Exhibit "J"**.

51. In light of Minatura's breach of the terms of the JV Agreement, on February 12, 2013, Coastal and Aburi Goldfields commenced an action against Minatura in Ontario in the Superior Court of Justice. The claim for relief includes damages in the amount of $10,000,000. A copy of the Statement of Claim is attached as Exhibit "O" to my First Affidavit.

52. Approximately two months later, as set out in my First Affidavit, on April 11, 2013 Minatura commenced an action against Coastal and Aburi Goldfields in Ghana for specific performance, injunctive relief and an accounting (the "**Ghanaian Action**"). A copy of the Writ of Summons issued in the Superior Court of Judicature in the High Court of Justice Commercial Division, Accra, Ghana on April 11, 2013 is attached as Exhibit "P" to my First Affidavit.

53. Pursuant to a share sale and purchase agreement dated April 18, 2013 (the "**Share Purchase Agreement**"), Bob Griffis transferred all the shares of Aburi Goldfields to Coastal, making Coastal the sole shareholder of Aburi Goldfields. A copy of the Share Purchase Agreement is attached hereto as **Exhibit "K"**.

54. On May 8, 2013, prior to me executing my First Affidavit, the directors of Aburi Goldfields resolved, among other things, that Aburi Goldfields is authorized to make an application to the Court seeking the form of Initial Order substantially as granted by this Court on May 9, 2013 (the "**CCAA Authorizing Resolution**"). A copy of the CCAA Authorizing Resolution without schedules is attached hereto as **Exhibit "L"**.

55. The defendants, Coastal and Aburi Goldfields, had to respond to the Ghanaian Actionon or about May 21, 2013. As a result, Coastal and Aburi Goldfields brought a motion to dismiss or stay the Ghanaian Action. A copy of the Affidavit sworn in support of this motion is attached hereto as **Exhibit "M"**.

E. SECURITY HELD BY FCMI IN RESPECT OF THE APPLICANTS

56. In my First Affidavit, I do not state that FCMI had obtained security over the Assets of Aburi Goldfields. In fact, I clearly state the following:

(a) the obligor under the Note is GGC (see paragraph 49);

(b) GG BVI and Coastal guaranteed the obligations of GGC to FCMI under the Note (see paragraph 55);

(c) GGC, GG BVI and Coastal have secured their obligations to FCMI under the Note and the Guarantee pursuant to the Share Pledge Agreement (see paragraph 56).

(d) Pursuant to the Share Pledge Agreement, GGC pledged to FCMI, among other things, all its present and future common shares of GG BVI, GG BVI pledged to FCMI 100% of the shares of Coastal and Coastal has pledged 100% of the shares of Aburi Goldfields (see paragraph 57).

F. INTERCOMPANY INDEBTEDNESS

57. In addition to the secured and unsecured indebtedness set out in my First Affidavit, the following intercompany indebtedness is also currently outstanding and unable to be paid:

(a) Coastal owes $5,074,943.13 to GGC;

(b) Coastal owes $229,588.69 to GG BVI; and

(c) Aburi Goldfields owes $1,625,898.40 to Coastal.

G. CONSEQUENCES OF MINATURA'S FAILURE TO COMPLY WITH THE JV

58. As set out in my First Affidavit, Minatura's failure to comply with the JV Agreement and deliver all of the Contributed Equipment on time or at all, as well as delays by Minatura to fund cash calls when requested under the JV Agreement, caused significant delays in the start up of the Aburi Project and commencement of production, contributing to GGC failing to meet its financial projections presented to FCMI and its obligations to FCMI under the FCMI Loan.

59. In order to develop the Aburi Project to production without all of Minatura's Contributed Equipment, GGC had to move its older, used mining fleet, which was previously being used to produce gold at the adjacent Ofin Project, onto the Aburi Project.

60. This fleet is comprised of older, much less effective used mining equipment with insufficient capacity. As a result, the production at the Aburi Project is not as effective as was projected in the Aburi Feasibility Study. To compound matters, since the Ofin Project's fleet was moved to the Aburi Project, the Ofin Project is now idle. Furthermore, GGC had to make up Minatura's expected cash contributions to the extent GGC was able to do so.

61. I swear this affidavit in support of the Applicants' request that Minatura's motion returnable on June 3, 2013 be dismissed and that the Initial Order in this CCAA Proceeding remain in force unamended, and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 22nd day of May, 2013. Commissioner for Taking Affidavits	A. THOMAS GRIFFIS

Exhibit "A"

ABURI GOLDFIELDS (GHANA) LIMITED

WRITTEN SHAREHOLDERS' RESOLUTIONS

The following written ordinary resolutions were duly passed in accordance with sections 174(1), 181(4) & 272(2) of the Companies Code 1963 (Act 179) by the members entitled to receive notice of and attend and vote at general meetings of the Company acting by their duly authorized representatives.

ORDINARY RESOLUTIONS

1. That THOMAS GRIFFIS be and is appointed Director of the Company to fill the vacancy caused by the resignation of INNOCENT AKWAYENA .

2. That TOD TURLEY and JOE WOJCIK be and are appointed Directors of the Company

DATED THIS 19TH DAY OF JUNE 2012

Robert Griffis

Robert J Griffis

Exhibit “B”

CERTIFICATE

By Facsimile Transmission

To: Minatura Aluviales Corp., Attn. Tod Turley (Fax: +1(805) 435-1703)

And to: Coastal Explorations Ltd., Attn. CEO (Fax: +416.867.9320)

The undersigned hereby confirms that Ghana Environmental Protection Agency has issued the environmental license necessary to conduct production on the Aburi property. A copy of the license is attached.

WITNESS:

Name: Linda Antwi-Donkor
Address: 34 Oshimpa St.
North Kaneshie
Accra, Ghana

Robert Griffis

Tel: (0302) 664697 / 664698,
662465 / 667524
Fax: 233 (0302) 662690
Email: support@epaghana.org

Environmental Protection Agency
P. O. Box M 326
Ministries Post Office
Accra, Ghana

EPA/EIA/ 361

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PERMIT

(ENVIRONMENTAL IMPACT ASSESSMENT)

This is to certify that

Authorisation has been given to **Romex Mining Ghana Limited**

to undertake the Alluvial Gold Mining Project on its Mpeasem Concession in the Upper Denkyira West in the Central Region and Amansie West District in the Ashanti Region as per attached schedule

Date Issued: 24th October 2012 -------- **Expiry Date:** 24th April 2014

The Certificate is issued subject to the conditions attached as Schedule

D.S. AMLALO
AG. EXECUTIVE DIRECTOR

NB: This permit is only valid with attached Schedule and the Seal of the Environmental Protection Agency

[SENDING REPORT]

[illegible]

01	4163579370	[illegible]

(SENDING REPORT)

[illegible]

01	[illegible]

Exhibit "C"

From:	Microsoft Office User [michael@griffis.ca]
Sent:	October 29, 2012 10:16 AM
To:	Tod Turley
Cc:	Linda Antwi-Donkor
Subject:	EPA certificate
Attachments:	3793_001.pdf; EPA Permit Romex[2].pdf

Tod - attached is a copy of Bob's faxed certificate regarding receipt of the EPA permit.
Also attached is the full permit. It is a large file.
Please confirm you received the certificate and permit. Thanks, Mike

CERTIFICATE

By Facsimile Transmission

To: Minatura Aluviales Corp., Attn. Tod Turley (Fax: +1(805) 435-1703)

And to: Coastal Explorations Ltd., Attn. CEO (Fax: +416.867.9320)

The undersigned hereby confirms that Ghana Environmental Protection Agency has issued the environmental license necessary to conduct production on the Aburi property. A copy of the license is attached.

WITNESS:

Name: Linda Antwi-Donkor
Address: 34 OShimpa St.
North Kaneshie
Accra, Ghana

Robert Griffis

4816-6246-0941.1 -1-

Tel: (0302) 664697 / 664698,
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Fax: 233 (0302) 662690
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EPA/EIA/ 361

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PERMIT

(ENVIRONMENTAL IMPACT ASSESSMENT)

This is to certify that

Authorisation has been given to **Romex Mining Ghana Limited**

to undertake the Alluvial Gold Mining Project on its Mpeasem Concession in the Upper Denkyira West in the Central Region and Amansie West District in the Ashanti Region as per attached schedule

Date Issued: 24th October 2012 --------- **Expiry Date:** 24th April 2014

The Certificate is issued subject to the conditions attached as Schedule

D.S. AMLALO
AG. EXECUTIVE DIRECTOR

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Ministries Post Office
Accra, Ghana

SCHEDULE TO THE ENVIRONMENTAL PERMIT FOR THE MPEASEM ALLUVIAL GOLD MINING PROJECT

1.0 LEGAL REQUIREMENTS

In pursuance of Part I, Section 2 (i) and Part II, Section 12 (1) of the Environmental Protection Agency Act (Act 490), 1994 and Part 1 of the Environmental Assessment Regulations (LI 1652), 1999 and on the basis of the Company's approved Environmental Impact Statement of September, 2012, an Environmental Permit is issued authorizing **ROMEX MINING GHANA LIMITED** to commence the Construction and Operation of the Mpeasem Alluvial Gold Mining Project.

2.0 COMPANY DETAILS

2.1	Company Address	:	Romex Mining Ghana Limited 33 Airport Ridge P. O. Box 422 Harbour, Takoradi
2.2	Contact Person	:	Mr. Robert J Griffis (Managing Director)
2.3	Contact Number	:	+233244787618

3.0 PERMIT DETAILS

3.1 DATE AND PLACE OF ISSUE 24/10/12, ACCRA	3.2 FILE NO.: CM 3821/01
	3.3 PERMIT NUMBER: EPA/EIA/ 361
	3.4 EXPIRY DATE: 23/04/2014
	3.5 RENEWAL DATE: 24/04/2014

3.6 Validity of Permit

This permit shall be valid for a period of eighteen (18) months effective from the date of issue of permit. Failure to commence construction and operations (Mpeasem Alluvial Gold Mining Project) within 18 months of issue shall render this permit invalid.

3.7 Renewal Clause

Application for renewal shall be submitted to EPA Head Office six (6) months (i.e. 24/10/13) before expiry of permit in accordance with Section 29 (f) of LI 1652.

4.0 DESCRIPTION OF SITES:

4.1 Name of Districts and Regions where the project is located : Upper Denkyira West, Central Region
Amansie West, Ashanti Region

4.2 Concession Size : 48.72 km^2

4.2 Mpeasem Alluvial Gold Mining Project

4.2.1 Location of Mpeasem: The untarred Ntom – Mpeasem road leading eastwards to Mpeasem

PILLAR	LONGTITUDE	LATITUDE
P1	-2 01 13	6 17 07
P2	-2 02 18	6 15 00
P3	-2 05 00	6 15 00
P4	-2 05 10	6 17 25
P5	-2 04 11	6 17 08
P6	-2 04 51	6 18 29
P7	-2 04 18	6 18 48
P8	-2 03 57	6 18 48
P9	-2 03 57	6 20 00
P10	-2 01 15	6 20 00
P11	-2 00 54	6 19 16
P12	-2 01 33	6 18 04

4.2.3 Name(s) of nearest Human Settlement(s) to Mpeasem Alluvial Gold Project : Mpeasem, Amoamang, Aburi, Pewudie and Ayiem

4.3 Name(s) of rivers and streams within
The project area : Akwabo, Afiafi and Ahensu streams.

5.0 CONDITIONS OF PERMIT

5.1 The Agency reserves the right to cause changes to any of the facilities whose continuous operations poses danger to public safety and has negative impacts on the environment. In this regard the pemit shall be revoked or suspended.

5.2 Notifications

5.2.1 Notify EPA as soon as the Mpeasem Alluvial Gold Mining Project construction commences.

5.2.2 Notify EPA of any major changes in the Mpeasem Alluvial Gold Mining Project contrary to the information provided in the approved project EIS. These shall include but not limited to the following:

- Change of ownership;
- Changes to the mining schedule and mode of mining;
- Changes to the mode of processing of material and through put of the wash plant;
- Any other activity other than the Mpeasem Alluvial Gold Mining Project.

5.3 Diversion of Ahensu, Afiafi and Akwabo Rivers

(a) This permit permit does not allow you to divert any stream /river
(b) The company shall **SEEK APPROVAL FROM WATER RESOURCES COMMISSION PRIOR TO THE COMMENCEMENT OF ANY RIVER DIVERSION.**
(c) In the event of any diversion the company shall ensure that the diversion is carried out in phases consisting of excavation of an adjacent land to serve as a canal to receive the diverted river, systematic mining of the river bed, the return of the washd cobbles, pebbles and salvaged boulders into the original course to receive the river and reclamation of the canal area.
(d) In the event of any diversion the company shall ensure that the opening up of canal to receive any river is undertaken during the night to minimize the effects of the changes in water quality.

5.4 Display of Permit

The permit issued shall be displayed conspicuously in prominent places at the mine site.

5.5 Revocation, Suspension as well as the Refusal to Renew Permit

The Agency may revoke, suspend or refuse to renew the permit issued where:

(a) The provisions and conditions of this permit are not being satisfactorily complied with;

(b) The continued operation of the company's Mpeasem Alluvial Gold Mining Project pose a serious risk to the environment, public health and safety;

(c) The operations of the Mpeasem Alluvial Gold Mining Project have deteriorated below environmentally acceptable standards and best practice.

(d) Any other operational activity that compromises the integrity of the environment, public health and safety.

5.6 Reporting

5.6.1 The company shall submit an Environmental Management Plan 18 months after commencement of construction and operation of the Mpeasem Alluvial Gold Mining Project, and thereafter every 3 years in accordance with Regulation 24 of LI 1652.

5.6.2 The company shall submit an Annual Environmental Report on the Mpeasem Alluvial Gold Mining Project operation 12 months after commencement of construction and operations, in accordance with Regulation 25(1) of LI 1652.

5.6.3 The company shall submit Monthly Environmental Monitoring Returns on the Mpeasem Alluvial Gold Mining Project operations as prescribed by the Akoben Methodology.

5.6.4 The company shall submit a socio-economic assessment report on catchment communities through an independent third party consultant by the end of the sixth month upon commencement of mining and processing operations.

5.6.5 The company shall conduct health assessment of close communities within the area of influence and submit the report to Agency within six(6) months from the date of this permit.

5.7 Water Balance

The Company shall submit complete mine wide water balance within six (6) from commencement of mining and processing operations.

5.8 Reclamation Bond

(a) In line with Regulation 23 of the Environmental Assessment Regulations (LI 1652), 1999 the company shall post a reclamation bond as security for the decommissioning and rehabilitation of disturbed sites.

(b) The quantum of bond to be posted for the project is about **US$ 434,702.00** as presented in the published Environmental Impact Statement (EIS).

(c) The Company shall post the Reclamation Bond to the tune indicated in 5.6(b) above within six (6) months from the date of this permit.

5.9 Closure Certification

Romex Gold Mining Limited shall submit a Reclamation and Decommissioning Plan for **APPROVAL** by the Agency and subsequently obtain a closure certificate from the Agency before abandonment of the concession.

5.10 Other Regulatory Requirements

5.7.1 Compliance with Mining Regulations, 1970 (LI 665).
5.7.2 Compliance with provisions of the Water Resources Commission Act, 1996 (Act 522).
5.7.3 Compliance with provisions of the Minerals and Mining Act, 2006 (Act 703).
5.7.4 Notwithstanding this Permit, the Mpeasem Alluvial Gold Mining Project is further subject to other relevant regulations and permits and must be observed.

5.11 Environmental Impact Assessment Commitments - Mpeasem Alluvial Mining Project

5.11.1 Mining

(a) The copany shall mine **ONLY THE AHENSU, AKWABO AND AFIAFI VALLEY(S)**
(b) The company shall divert where necessary sections of the rivers within the blocks as indicated in (a) above and in conformity with diversion canal characteristics as indicated in the EIS.
(c) The company shall **NOT MINE THE BLOCKS SIMULTANEOUSLY**, but follow the schedule of mining as presented in figure 3 of the approved EIS of September, 2012.
(d) The company shall proceed with operations at Akwabo and Afiafi valley blocks only after successful operation and reclamation of **AHENSU VALLEY** and subsequent **APPROVAL FROM THE AGENCY.**

5.11.2 Installation of Plant and Equipment

(a) The company shall install gravity separation equipment at a central processing site within the block.
(b) The company shall install a water pump, generator and lighting system.

5.11.3 Transportation of Gravel

The company shall haul the gravel manually with the aid of shovel and pick axes into the gravity separation equipment.

5.11.4 Ore Processing

(a) The company shall process the gold bearing material by gravity separation method only.
(b) The company shall not use **MERCURY** in processing of the concentrate.

5.11.5 Occupational and Public Safety Management

(a) The company shall establish a fully equipped First Aid Facility at the mine to handle any minor injuries/illness and incompliance with terms and conditions as may be prescribed by the Inspectorate Division of the Minerals Commission.

(b) The company shall record all accidents in order to take the necessary corrective masures to eliminate or minimise their occurrence and incompliance with terms and conditions as may be prescribed by the Inspectorate Division of the Minerals Commission.

(c) The company shall provide reflective borders and adequate illumination around mining sites especially at night.

(d) The company shall provide protective clothing/gear for permitted visitors to the mine site.

(e) The workers shall be trained in the proper handling and use of equipment and safety measures prior to Mpeasem Alluvial Gold Mining Project.

(f) The company shall provide protective clothing/gear such as helmets, steel boots, earmuffs, nose masks and hand gloves for workers.

5.11.6 Water Management

5.11.6.1 Water Quality

(a) Land clearance for the alluvial mining shall be restricted to minimize silt laden surface run – off entering the drainage systems.

(b) Protect all exposed surfaces to avoid erosion and siltation of drains, drainage channels and water bodies.

(c) The company shall construct diversion channels to intercept water from low lying free draining areas in other to prevent contamination of the Akwabo, Afiafi and Ahensu streams.

(d) The company shall CONSTRUCT AND OPERATE FUNCTIONAL SILT TRAPS where appropriate across streams to intercept surface run – offs within the project corridor.

(e) The company shall ensure that no water course is blocked during construction and usage /operation of the alluvial mining project.

(f) The Company shall monitor the following parameters among others including pH, total dissolved solids (TDS), colour, turbidity, conductivity, dissolved oxygen, arsenic, mercury, cadmium, lead, silver, chromium, and iron and report same in the Monthly Environmental Returns.

5.11.6.2 Water Requirements For Processing Operations

(a) The company shall obtain an abstraction permit from Water Resources Commission prior to the abstraction.

(b) The company shall abstract water for the alluvial process from the Offin River at a rate of $44m^3$ per hour as stated in the published EIS.

(c) The company shall augment the abstracted water with groundwater and surface water flows during rainfall periods.

(d) The company shall recycle the process water via the raw water pond to ensure continuous supply and efficiency of the process water usage that enhances a plausible water balance management system.

5.11.6.3 Community Water

(a) The construction and operation of the mining activities etc must be conducted in a way that will not impact negatively on the water resources of catchment communities.

(b) In the event that the construction and operation of the mine affects any water resource the company shall provide adequate and potable water for the affected community(ies).

(c) The company shall undertake a comprehensive needs assessment to identify the water requirements of the downstream communities .i.e. prior to the constructional phase of the project and submit the report to the Agency.

(d) The company shall provide additional boreholes to deserving communities based on the assessment.

5.11.7 Dust Management

(a) A speed limit of 20km/hr will be strictly enforced on all haul roads to further reduce dust emissions.

(b) Dust from movement of vehicles should be minimized by frequent (possibly twice a day) watering of road surfaces especially during the dry season.

(c) Dust and particulate emission from such areas must not exceed 150μg/m^3

5.11.8 Noise Management

(a) The company shall provide personnal protective equipment (ear plugs, boots, goggles and gloves) to workers.

(b) The company shall maintain adequate vegetation buffer to dampen the noise levels.

5.11.9 Hydrocarbon Spill Management

(a) The company shall provide appropriate facilities for storage of fuel, oil and lubricants as well as for waste oil and lubricants to prevent leakages/spillages from causing environmental pollution.

(b) Construct protective bunds around fuel and oil storage tanks with adequate capacity to contain the total content of the tanks in the event of spillage.

(c) The company shall draw and implement a schedule for the collection of waste oil.

(d) The company shall ensure that used oil is stored temporally in drums and is disposed off in an environmentally friendly manner.

(e) The company shall ensure oil filters and other small oil containers are collected separately, well drained and flattened before disposal into the solid waste landfill site.

5.11.10 Socio – Economic

(a) The Company shall pay adequate and timely compensation for properties that may be affected according to rates agreed between the Company and the Project Affected Persons, taking into consideration sections 72, 73 and 74 of the Minerals and Mining Act (Act 703), 2006.

(b) The agreed compensàtion package for properties that may be affected must be reached with the involvment of all stakeholders including the Upper Denkyira West and Amansie West District Assemblies and report on the outcome submitted to the Agency before commencement of the project.

(c) Alternative livelihood programmes shall be developed to ameliorate periods of economic displacement as stated in section 4.4.10.3 of the approved EIS of Sepetember, 2012.

(d) The company shall formulate a Corporate Social Responsibility Agreement in consultation with the Upper Denkira West and Amansie West District Assemblies within six (6) months of commencement of operations.

5.11.12 Environmental Quality Monitoring

(a) The company shall sample and analyse the upper, middle and downstream sections of the Offin River o weekly bais for the first our (4) months and subsequently on monthl basis. The parameters to bemonitored shall include pH, total suspended solids, colour, turbidity, conductivity, mercury, cadmium and iron and rport same in the monthl Environmental Returns.

(b) The company shall sample and analyse all boreholes at Mpeaseam, Amoamang, Aburi, Pewudie and Ayiem

(c) The company shall monitor the freeboard of the slime dam, overflow, dam stability, leakages every fortnight and report the same in the Monthly Environmnetal Returns.

(d) The company shall monior areas of possible erosion every fortnight and report the same in the Monthly Environmental Returns.

(e) The company shall install a rain guage on the concession to monitor the rainfall pttern.

(f) The company shall monitor noise levels at the wash plat site and within the catchment communities on monthly basis and report the same in the monthly Environmental Returns.

(g) The company shall monitor dust levels at the haul roads, mine stes and any other identified area on montly basis and report same in the Monthly Enironmental Returns.

(h) The company shall monitor especially dust and water related diseases emanating from their operations and report the same in the Annual Environmental Report.

(i) The company shall monitor and review accidents records at the mine vincinity in particular and on the concession in general involving the public on monthly basis and report the same in he Annual Environmental Report.

(j) The company shall monitor compensation payment, local employment levels, training levels and cash flow in the local econmomy on monthly basis and report same in the Annual Environmental Report.

(k) The company shall monitor changes in health patterns and indicators of living conditions, influx of population and structural changes on monthly basis and report same in the Annual Environmental Report.

(l) The company shall conduct frequent monitoring along the length of the slime dam to ensure early detection of any spillage/potential breach.

(m) The company shall monitor closely the prescribed safety measures and workplace accident.

5.11.13 Soil Resources

The company will manage the soil resources by adopting the following measures:

(a) Land clearance will be limited to a minimum. Areas will be cleared only when necessary.
(b) Whenever possible early re-vegetation of disturbed areas will be undertaken.
(c) RMG will use natural erosion control vegetation to control sheet and rill erosion.
(d) Siltation channels and storm water drains will be constructed around and within the operational area.
(e) Topsoil will be stockpiled at strategic locations and left undisturbed.

5.11.14 Slime Dam/Settling Ponds

The company shall ensure that:

(a) The stability of the dam embankment will be closely monitored to avoid any possible breach of the dam.
(b) The free board of the dam will be used to establish the elevation of the lowest point of the embankment crest relative to the normal or maximum operating levels of the process water.
(c) There should be daily and visual inspection to ensure that the minimum operating free board levels are complied with in relation to the dam design.
(d) Dam leakages should also be monitored on a daily basis.
(e) The company shall construct a settling and process water dams with adequate capacities to contain all the process water.
(f) The company shall operate the dams in a manner to safeguard the integrity of the external environment.

5.11.15 Waste Management

(a) The company shall segregate waste into decomposable and non-decomposable contents at source.
(b) The company shall compost organic waste and use it in its re-vegetation activities.
(c) The shall construct well engineered landfill site to contain all domesic and office waste that will be generated within the project area.
(d) The company shall provide well labelled waste bins at vantage points to receive domestic and office waste.
(e) The company shall manage all material in the landfill in a manner to avoid garbage being blown about by wind.

(f) The company shall consider the disposal of non-toxic industrial waste (i.e. tyres, scrap metals, packaging material e.g. plastic containers, wood, cardboards etc only after all other options of reduction, re-use and recycling has been eliminated.

(g) The company shall ensure that waste that cnnot be re-used, recycled etc will be buried in the landfill.

(h) All obsolete chemicals (if any) should be handled in accordance with EPA guidelines. The Chemicals Control and Management Centre (CCMC) of EPA shall be contacted for directives on disposal mechanisms.

5.11.16 Visual Impact and Land degradation Management

(a) The company shall restrict clearance of all vegetation to only areas required for mining operations.

(b) The company shall undertake concurrent reclamation of all disturbed areas.

5.11.17 Reclamation and Decommissioning

(a) The company shall undertake concurrent/progressive reclamation of all disturbed areas when possible. The reclamation units shall include slime/tailings dam, raw water dam, settling ponds, excavated/mined out pits, wash plant site haul and access roads.

(b) The company shall undertake reclamation in accordance with schedule II of the reclamation Security Agreement.

(c) The company shall rehabilitate the site in order to obtain post-mining land use compatible with the prevailing rural conditions of the area.

(d) The company shall provide a long term stable site configuration to ensure public safety and reclaim the disturbed site for beneficial post mining land use.

(e) The company shall provide adequate funds for the implementation of the reclamation and decommissioning activities.

(f) The company shall adopt the following monitoring techniques in order to achieve sustainable reclamation of disturbed sites and ensure end use suitability of rehabilitated land:

- Soil erosion controls
- Quantitative analysis of vegetation cover and
- Return of fauna to rehabilitated sites.

(g) The company shall decommission the project in accordance with Ghana's Mining and Environmental Guidelines as well as the lease Agreement granted by the Ministry responsible for mines. These include but not limited to the following:

- Plant, machinery and equipment which have not depreciated beyond recovery shall be dismantled;
- The company shall enter into negotiations with relevant government institutions i.e. Minerals Commission etc for the takeover of the decommissioned equipment, sale to an interested party or moved to a prospective new site;
- Mine equipment that have completely depreciated shall be sold as scrap to

recognised dealers and

- The company shall negotiate with the Upper Denkyira West and Amansie West District Assemblies, and other stakeholders for a smooth transfer of all immovable assets to the local authorities.

5.12 Closure Documentations

The Company shall submit the following documentations at least two years and or at any period to be prescribed by the Agency before closure.

- Updated Closure Plan.
- Closure Construction and Designs.
- Post-Closure Monitoring Plan.
- Post Closure Emergency Management Plan.

5.13 Permit Exceptions

5.13.1 This permit **CANNOT** be used to operate in any other concessions except the Mpeasem concession.

5.13.2 This permit **DOES NOT** cover forest reserves, wildlife reserves, wetlands and natural heritage areas.

5.13.3 This permit **DOES NOT** cover the transportation, storage and handling of fresh/unused hydrocarbons.

5.13.4 This permit **CANNOT** be usede to operate the hard rock deposit in the concession

5.13.5 This certificate is NOT transferable.

6.0 INTERPRETATIONS

In this permit, the following expressions shall have the following meanings:

"Abandonment"- means voluntary surrender of property (or a right to property) with no intention of taking it back

"Agency"- means Environmental Protection Agency established by the Environmental Protection Agency Act (Act 490), 1994

"Company" – means Romex Mining Ghana Limited

"RMGL" – means Romex Mining Ghana Limited

"Application" - means application for this permit together with any response to a notice served and any other information formally accepted by the Agency as being part of the application

"Buffer Zone"- means any area that serves the purpose of a barrier between two or more other areas and helps to protect the environment

"EIS" – means Environmental Impact Statement

"Reclamation"- The conversion of wasteland or disturbed land into land suitable for settlement development or crop cultivation or any other landuse

"Silt traps" – An engineered system designed to remove suspended particles from surface runoffs with the following parameters being taken into consideration:

a. Volume of dirty runoff passing through the trap.j
b. Rainfall recurrence interval that the silt trap shall be able to accommodate.
c. Velocity at which the runoff enters and passes through the trap.
d. Expected silt load .
e. Particle size distribution expected to be settled in the trap.
f. Access being made available for maintenance.

Providing false information or failure to comply with or observe all the permit conditions above will attract the necessary penalties prescribed under the Environmental Assessment Regulations 1999 (LI 1652) and also lead to the suspension, cancellation or revocation of this permit or to prosecution.

D.S. AMLALO
AG. EXECUTIVE DIRECTOR

Date: 24TH October 2012

NOTIFICATION
The Hon. Minister, Ministry of Environment, Science and Technology, Accra
The Hon. Minister, Ministry of Lands and Natural Resources, Accra
The Chief Executive, Minerals Commission, Accra
The Chief Executive, Water Resources Commission, Accra
The Chief Inspector, Inspectorate Division, Minerals Commission, Accra
The District Chief Executive, Upper Denkyira West District Assembly, Diaso, Central Region
The District Chief Executive, Amansie West District Assembly, Manso-Nkwanta, Ashanti Region
The Regional Director, Environmental Protection Agency, Cape Coast, Central Region
The Regional Director, Environmental Protection Agency, Kumasi, Ashanti Region

Exhibit “D”

From: Tom Griffis [tom@griffis.ca]
Sent: November 8, 2012 1:12 PM
To: 'tod.turley@minatura.com'; Andrew Fogle.; Bob Griffis; john rae; Michael Campbell; Elia Crespo
Subject: Aburi JV agenda

Tod
Not having received your agenda I have prepared one for our meeting in Accra. Please add items not included that you might want to discuss.

MEETING DATES—ACCRA NOVEMBER 15-16.

AGENDA

1. Accounting of expenditures by partners post agreement date.
2. Contested spending items from each party.
3. Project operator-- report to the BOD.
4. JV operator going forward.
5. Use of JV and SSM equipment--- use of K350's by SSM and use of SSM equipment and plant by JV.
6. Accra office requirements past and future.
7. Confirmation Stanbic loan documents conform to JV agreement section 7.3(d).
8. Independent accounting and legal representation for the JV.
9. Ongoing funding required by the JV.
10. Second plant for the JV.
11. Open discussion.

From: Tod Turley [tod.turley@minatura.com]
Sent: November 11, 2012 3:33 PM
To: 'Tom Griffis'; 'Andrew Fogle.'; 'Bob Griffis'; 'john rae'; 'Michael Campbell'; 'Elia Crespo'
Subject: RE: Aburi JV agenda

Tom,

Thanks for this. Please see our proposed agenda below which incorporates all of your items. Andrew is already on his way to Ghana. I'm being held up in the US on several closings and may not be able to make it over in time.
If not, Andrew has full authority to act on Minatura's behalf and I will be available at all times to discuss and resolve any issues.

AGENDA

1. Corporate Formalities

a. Appoint Secretary for the meeting to keep notes, track resolutions and circulate meeting minutes.

b. Appoint Tom Griffis, Tod Turley and Andrew Fogle as directors of Aburi Goldfields. Receive resignation of non-approved directors.

c. Adopt and approve necessary Board of Director resolutions for all material contracts and matters requiring Board approval. [Someone should work with corporate counsel in advance to prepare and recommend resolutions].

d. Issuance of shares to parties/escrow as required under the Shareholders Agt.

2. Accounting

a. Discuss project accounting responsibilities and organizational chart of responsibilities.

b. Discuss and approve past expenditures by partners post agreement date.
(1) Establish values or methodologies for contributed items (IHC plant, etc.)

c. Discuss and decide on date for true up of capital accounts

d. Gold sales - using sophisticated buyer/trading platforms for sale of gold (e.g., Auramet)

e. Bank accounts
(1) Operating Account
(2) Settlement Account

f. Cash Controls
(1) Petty Cash
(2) Expenditures with proper documentation

g. Budget Approval Process
(1) Frequency
(2) Operator's limitations on over budget items

3. Project Operator Report to the Board of Directors

4. JV operator going forward.
   a. Terms of GRGML operating agreement in lieu of current "labor+20%" formula
   b. Bonus plan for JV employees and consultants

5. Use of JV and SSM equipment
   a. Report of usage to date
   b. Discuss and approve reconciliation/true up policies
      (1) Minatura Proposal - quarterly reporting and use short term "market" equipment rental rates to compensate other party for net usage.
   b. Discuss and approve policy for using other party's equipment moving forward

6. Office and Camp Facilities requirements past and future.
   a. Reasonable rent for JV's use of Coastal's office in Accra
   b. Reasonable usage fees/rent for SSM's use of Camp facilities

7. Confirmation Stanbic loan documents conform to JV agreement section 7.3(d).
   (final loan documentation is not yet available but Minatura will try to produce in time for the meeting)

8. Independent accounting and legal representation for the JV.
   a. JV Auditors
   b. JV Attorneys

9. Ongoing funding required by the JV.

10. Second plant for the JV.
    a. Try to use debt?
    b. Optimal timing
    c. Use of Minatura wash plant in Colombia?

11. Security and Controls Review

11. Open discussion.

Regards,

Tod Turley
Chief Operating Officer
The Minatura Group
Int'l tel. (+1) 805.300.5912
Colombia tel. (+57) 321.851.1445
tod.turley@minatura.com
skype: tod.turley

-----Original Message-----
From: Tom Griffis [mailto:tom@griffis.ca]
Sent: Thursday, November 08, 2012 10:12 AM
To: 'tod.turley@minatura.com'; Andrew Fogle.; Bob Griffis; john rae; Michael Campbell; Elia Crespo
Subject: Aburi JV agenda

Tod
Not having received your agenda I have prepared one for our meeting in Accra. Please add items not included that you might want to discuss.

MEETING DATES-ACCRA NOVEMBER 15-16.

AGENDA

1. Accounting of expenditures by partners post agreement date.

2. Contested spending items from each party.

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4. JV operator going forward.

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6. Accra office requirements past and future.

7. Confirmation Stanbic loan documents conform to JV agreement section 7.3(d).

8. Independent accounting and legal representation for the JV.

9. Ongoing funding required by the JV.

10. Second plant for the JV.

11. Open discussion.

Exhibit “E”

From: Microsoft Office User [michael@griffis.ca]
Sent: November 29, 2012 7:01 PM
To: Tod Turley; Andrew Fogle
Cc: Tom; Elia; Bob Griffis
Subject: Re: EPA certificate

Your original "position" is incorrect. In addition to obtaining confirmation from the head of the EPA Mining Division and the EPA's lawyer discussed below, we also obtained a formal Ghanaian legal opinion as follows:

The EPA Permit issued on October 24, 2012 is a valid permit under the Shareholders Agreement.

The EPA's correction of its previous error in the Schedule to the Permit does not amount to a variation of the Permit itself. Neither does it amount to an amendment of the Permit nor invalidation of the Permit.

Under Ghana law, the EPA has a statutory right to correct any omissions or errors that it makes in the performance of its administrative functions under the Environmental Protection Act and Environmental Regulations. The issuance of permits and schedules to such permits are some of the EPA's administrative functions. The EPA has the right to correct errors and omissions that it has made on such documents. The EPA has the right to establish its own procedures for doing same. The EPA's correction of its previous error is legal and supported by statutory law. The EPA's official correction of its own error in the schedule of the Permit is legal and valid and does not invalidate the Permit dated October 24, 2012, nor does it adversely affect the Permit in any way.

Regulation 27 of LI 1652 is not the right procedure to follow when the EPA admits its error and corrects such error to the satisfaction of the Permit Holder. Regulation 27 does not apply where there is no grievance resulting from a decision made or action taken by the EPA. Regulation 27 is inapplicable in this case and to suggest otherwise would be absurd. Neither Minatura nor any other person has the legal right to deem a permit validly issued by the EPA as invalid for whatever reason. Any such claim is not only inconsistent with the Regulations and the Permit but also amounts to mischief.

Minatura's claim that the correction of the schedule was irregular is erroneous, and does not stop time from running. Minatura's request that Romex 'seek a properly amended and certified Environmental Permit' is also misplaced, as Romex already has a valid Environmental Permit and must commence construction and operations within 18 months from October 24, 2012 otherwise the Permit will lapse, and therefore should proceed without delay.

From: Tod Turley <tod.turley@minatura.com>
Date: Thu, 29 Nov 2012 15:46:03 -0800
To: Microsoft Office User <michael@griffis.ca>, Andrew Fogle <safogle@googlemail.com>
Cc: Tom <tom@griffis.ca>, Elia <elia@griffis.ca>, Bob Griffis <arjaygriffis@yahoo.com>
Subject: RE: EPA certificate

Michael,

You telling us that a meeting occurred and that everything is fine is not evidence of compliance. I will check into the referenced regulation but our original position that the notice provision on the delivery of the EPA Permit has not started and that a new official document from the EPA still stands.

Regards,

Tod Turley
Chief Operating Officer
The Minatura Group
Int'l tel. (+1) 805.300.5912
Colombia tel. (+57) 321.851.1445
tod.turley@minatura.com
skype: tod.turley

From: Michael Campbell [mailto:michael@griffis.ca]
Sent: Wednesday, November 28, 2012 12:34 PM
To: Tod Turley; Andrew Fogle
Cc: Tom Griffis; Elia Crespo; Bob Griffis
Subject: Re: EPA certificate

As discussed in the past week, this is a valid EPA permit that allows mining with effect October 24, 2012. In response to your latest questions below, we met with the Deputy Director and Head of Mining of the EPA, together with the EPA lawyer, who confirmed again that the EPA permit dated October 24 which allows mechanized mining is valid as of October 24. They said the permit speaks for itself. Minatura is not correct. We provided the EPA with a copy of your comments below so there would be no misunderstanding. The EPA lawyer said that the permit does not fall under Regulation 27 and Minatura's lawyer should read Reg. 27 of L11652.

Romex is up to date on this matter, including this latest conversation.

This is the second time we have gone back to the EPA to get confirmation based on your questions, and it is the second time the EPA has confirmed that this is a valid EPA permit. This is supposed to be a joint venture and we expect our partner not to attempt to create issues in order to avoid their obligations. There is no technical issue here as noted above and we find your attempts to create one both counter-productive and not conducive to our good relationship. We know you have financial problems and we don't expect you to resile from your obligations because of them.

Best regards,
Mike

From: Tod Turley <tod.turley@minatura.com>
Date: Mon, 26 Nov 2012 11:24:35 -0800
To: Microsoft Office User <michael@griffis.ca>
Cc: Andrew Fogle <safogle@googlemail.com>
Subject: RE: EPA certificate

Michael,

We have been advised that the established procedure for obtaining an amended Environmental Permit is that any amendment or correction to the Environmental Permit must be delivered in exactly the same way as the original. Romex should have written to the EPA notifying them of the error and there should have been correspondence from the EPA acknowledging the error and rectifying it.

There is a formal procedure stated in the Environmental Assessment Regulations ,1999, made under the EPA Act 1994, which sets out the procedure any person aggrieved by a decision of the EPA can follow in order to secure the remedy of any error. In this particular case there is a material error which needs to be rectified by the EPA and there is no evidence that this has been done correctly.

The Environmental Permit has gone through various stages including the finalization of the environmental impact statement and as it currently stands does not permit the operators of the mining lease to use any machines such as excavators to develop the mining lease area.

Consequently, the Certificate provided by Robert Griffis to Minatura Aluviales Corp. and Coastal Explorations Ltd. on October 29, 2012 was premature and of no effect in that the Permit does not allow the project to be operated in the intended and agreed upon manner. We ask Coastal to please advise Romex in this matter and seek a properly amended and certified Environmental Permit to suit the purposes of our project.

Regards,

Tod Turley
Chief Operating Officer
The Minatura Group
Int'l tel. (+1) 805.300.5912
Colombia tel. (+57) 321.851.1445
tod.turley@minatura.com
skype: tod.turley

From: Michael Campbell [mailto:michael@griffis.ca]
Sent: Thursday, November 15, 2012 6:32 AM
To: Tod Turley
Subject: Re: EPA certificate

There is a corrected version (same date). Bob will give a copy to Andrew F.

From: Tod Turley <tod.turley@minatura.com>
Reply-To: Tod Turley <tod.turley@minatura.com>
Date: Thu, 15 Nov 2012 00:08:10 +0000
To: Microsoft Office User <michael@griffis.ca>
Cc: Linda Antwi-Donkor <akuabomo@yahoo.com>, "andrew.fogle@minatura.com" <andrew.fogle@minatura.com>, Tom <tom@griffis.ca>, John Rae <johnrae@magma.ca>, Bob Griffis <arjaygriffis@yahoo.com>, Elia <elia@griffis.ca>
Subject: Re: EPA certificate

Please clarify. The language seems quite clear and more typical of a permit issued for a small scale mining lease. We had this checked out with our advisers in Ghana and they informed us unequivocally that the Permit does not allow for mechanized haulage and feeding of the plant. We are confident that this was an oversight and perhaps a clerical error but it needs to be corrected immediately.
Regards,

Tod Turley
COO/Minatura
Intl Tel.(+1)805.300.5912
skype: tod.turley

From: Michael Campbell <michael@griffis.ca>

Date: Wed, 14 Nov 2012 23:29:06 +0000
To: tod.turley@minatura.com<tod.turley@minatura.com>
ReplyTo: Michael Campbell <michael@griffis.ca>
Cc: akuabomo@yahoo.com<akuabomo@yahoo.com>; andrew.fogle@minatura.com<andrew.fogle@minatura.com>; Tom Griffis<tom@griffis.ca>; johnrae@magma.ca<johnrae@magma.ca>; arjaygriffis@yahoo.com<arjaygriffis@yahoo.com>; Elia Crespo<elia@griffis.ca>
Subject: RE: EPA certificate

This is a valid permit and we are entitled to mine - with machines not just picks, shovels and baskets. The certificate was delivered as required by the JV Agreement, effective its original date.

-------- Original message --------
From: Tod Turley <tod.turley@minatura.com>
Date: 11-14-2012 4:40 PM (GMT-05:00)
To: Michael Campbell <michael@griffis.ca>
Cc: 'Linda Antwi-Donkor' <akuabomo@yahoo.com>,"Andrew Fogle." <andrew.fogle@minatura.com>
Subject: RE: EPA certificate

Michael,

We have reviewed the EPA Environmental Permit issued to Romex Mining Ghana Limited dated October 24, 2012. We direct your attention to Section 5.11.3 of the Permit which states:

"5.11.3 Transportation of Gravel

The company shall haul the gravel manually with the aid of shovel and pick axes into the gravity separation equipment."

This essentially prohibits the use of mechanized equipment to haul and feed the plant. Coastal needs to correct this as soon as possible as the JV would be in violation of Permit.

Consequently, the Certificate provided by Robert Griffis to Minatura Aluviales Corp. and Coastal Explorations Ltd. on October 29, 2012 was premature and of no effect in that the Permit does not allow the project to be operated in the intended and agreed upon manner.

Regards,

Tod Turley
Chief Operating Officer
The Minatura Group
Int'l tel. (+1) 805.300.5912
Colombia tel. (+57) 321.851.1445
tod.turley@minatura.com
skype: tod.turley

-----Original Message-----
From: Michael Campbell [mailto:michael@griffis.ca]

Sent: Monday, October 29, 2012 7:15 AM
To: Tod Turley
Cc: Linda Antwi-Donkor
Subject: EPA certificate

Tod - attached is a copy of Bob's faxed certificate regarding receipt of the EPA permit. Also attached is the full permit. It is a large file.
Please confirm you received the certificate and permit. Thanks, Mike

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Exhibit "F"

Tel: (0302) 664697 / 664698,
662465 / 667524
Fax: 233 (0302) 662690
Email: support@epaghana.org

Environmental Protection Agency
P. O. Box M 326
Ministries Post Office
Accra, Ghana

EPA/EIA/ 361

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PERMIT

(ENVIRONMENTAL IMPACT ASSESSMENT)

This is to certify that

Authorisation has been given to **Romex Mining Ghana Limited**

to undertake the Alluvial Gold Mining Project on its Mpeasem Concession in the Upper Denkyira West in the Central Region and Amansie West District in the Ashanti Region as per attached schedule

Date Issued: 24th October 2012 --------- **Expiry Date:** 24th April 2014

The Certificate is issued subject to the conditions attached as Schedule

D.S AMLALO
AG. EXECUTIVE DIRECTOR

NB: This permit is only valid with attached Schedule and the Seal of the Environmental Protection Agency

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662465 / 667524
Fax: 233 (0302) 662690

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Environmental Protection Agency
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D.S. AMLALO
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NB: This permit is only valid with attached Schedule and the Seal of the Environmental Protection Agency

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Fax: 233 (0302) 662690

Email: support@epaghana.org

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P. O. Box M 326
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Accra, Ghana

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Fax: 233 (0302) 662690

Email: support@epaghana.org

Environmental Protection Agency
P. O. Box M 326
Ministries Post Office
Accra, Ghana

SCHEDULE TO THE ENVIRONMENTAL PERMIT FOR THE MPEASEM ALLUVIAL GOLD MINING PROJECT

1.0 LEGAL REQUIREMENTS

In pursuance of Part I, Section 2 (i) and Part II, Section 12 (1) of the Environmental Protection Agency Act (Act 490), 1994 and Part 1 of the Environmental Assessment Regulations (LI 1652), 1999 and on the basis of the Company's approved Environmental Impact Statement of September, 2012, an Environmental Permit is issued authorizing **ROMEX MINING GHANA LIMITED** to commence the Construction and Operation of the Mpeasem Alluvial Gold Mining Project.

2.0 COMPANY DETAILS

2.1	Company Address	:	Romex Mining Ghana Limited 33 Airport Ridge P. O. Box 422 Harbour, Takoradi
2.2	Contact Person	:	Mr. Robert J Griffis (Managing Director)
2.3	Contact Number	:	+233244787618

3.0 PERMIT DETAILS

3.1 DATE AND PLACE OF ISSUE 24/10/12, ACCRA	3.2 FILE NO.: CM 3821/01
	3.3 PERMIT NUMBER: EPA/EIA/ 361
	3.4 EXPIRY DATE: 23/04/2014
	3.5 RENEWAL DATE: 24/04/2014

3.6 Validity of Permit

This permit shall be valid for a period of eighteen (18) months effective from the date of issue of permit. Failure to commence construction and operations (Mpeasem Alluvial Gold Mining Project) within 18 months of issue shall render this permit invalid.

3.7 Renewal Clause

Application for renewal shall be submitted to EPA Head Office six (6) months (i.e. 24/10/13) before expiry of permit in accordance with Section 29 (f) of LI 1652.

4.0 DESCRIPTION OF SITES:

4.1 Name of Districts and Regions where the project is located : Upper Denkyira West, Central Region
Amansie West, Ashanti Region

4.2 Concession Size : 48.72 km^2

4.2 Mpeasem Alluvial Gold Mining Project

4.2.1 Location of Mpeasem: The untarred Ntom – Mpeasem road leading eastwards to Mpeasem

PILLAR	LONGTITUDE	LATITUDE
P1	-2 01 13	6 17 07
P2	-2 02 18	6 15 00
P3	-2 05 00	6 15 00
P4	-2 05 10	6 17 25
P5	-2 04 11	6 17 08
P6	-2 04 51	6 18 29
P7	-2 04 18	6 18 48
P8	-2 03 57	6 18 48
P9	-2 03 57	6 20 00
P10	-2 01 15	6 20 00
P11	-2 00 54	6 19 16
P12	-2 01 33	6 18 04

4.2.3 Name(s) of nearest Human Settlement(s) to Mpeasem Alluvial Gold Project : Mpeasem, Amoamang, Aburi, Pewudie and Ayiem

4.3 Name(s) of rivers and streams within
The project area : Akwabo, Afiafi and Ahensu streams.

5.0 CONDITIONS OF PERMIT

5.1 The Agency reserves the right to cause changes to any of the facilities whose continuous operations poses danger to public safety and has negative impacts on the environment. In this regard the pemit shall be revoked or suspended.

5.2 Notifications

5.2.1 Notify EPA as soon as the Mpeasem Alluvial Gold Mining Project construction commences.

5.2.2 Notify EPA of any major changes in the Mpeasem Alluvial Gold Mining Project contrary to the information provided in the approved project EIS. These shall include but not limited to the following:

- Change of ownership;
- Changes to the mining schedule and mode of mining;
- Changes to the mode of processing of material and through put of the wash plant;
- Any other activity other than the Mpeasem Alluvial Gold Mining Project.

5.3 Diversion of Ahensu, Afiafi and Akwabo Rivers

(a) This permit permit does not allow you to divert any stream /river
(b) The company shall **SEEK APPROVAL FROM WATER RESOURCES COMMISSION PRIOR TO THE COMMENCEMENT OF ANY RIVER DIVERSION.**
(c) In the event of any diversion the company shall ensure that the diversion is carried out in phases consisting of excavation of an adjacent land to serve as a canal to receive the diverted river, systematic mining of the river bed, the return of the washd cobbles, pebbles and salvaged boulders into the original course to receive the river and reclamation of the canal area.
(d) In the event of any diversion the company shall ensure that the opening up of canal to receive any river is undertaken during
the night to minimize the effects of the changes in water quality.

5.4 Display of Permit

The permit issued shall be displayed conspicuously in prominent places at the mine site.

5.5 Revocation, Suspension as well as the Refusal to Renew Permit

The Agency may revoke, suspend or refuse to renew the permit issued where:

(a) The provisions and conditions of this permit are not being satisfactorily complied with;

(b) The continued operation of the company's Mpeasem Alluvial Gold Mining Project pose a serious risk to the environment, public health and safety;

(c) The operations of the Mpeasem Alluvial Gold Mining Project have deteriorated below environmentally acceptable standards and best practice.

(d) Any other operational activity that compromises the integrity of the environment, public health and safety.

5.6 Reporting

5.6.1 The company shall submit an Environmental Management Plan 18 months after commencement of construction and operation of the Mpeasem Alluvial Gold Mining Project, and thereafter every 3 years in accordance with Regulation 24 of LI 1652.

5.6.2 The company shall submit an Annual Environmental Report on the Mpeasem Alluvial Gold Mining Project operation 12 months after commencement of construction and operations, in accordance with Regulation 25(1) of LI 1652.

5.6.3 The company shall submit Monthly Environmental Monitoring Returns on the Mpeasem Alluvial Gold Mining Project operations as prescribed by the Akoben Methodology.

5.6.4 The company shall submit a socio-economic assessment report on catchment communities through an independent third party consultant by the end of the sixth month upon commencement of mining and processing operations.

5.6.5 The company shall conduct health assessment of close communities within the area of influence and submit the report to Agency within six(6) months from the date of this permit.

5.7 Water Balance

The Company shall submit complete mine wide water balance within six (6) from commencement of mining and processing operations.

5.8 Reclamation Bond

(a) In line with Regulation 23 of the Environmental Assessment Regulations (LI 1652), 1999 the company shall post a reclamation bond as security for the decommissioning and rehabilitation of disturbed sites.

(b) The quantum of bond to be posted for the project is about **US$ 434,702.00** as presented in the published Environmental Impact Statement (EIS).

(c) The Company shall post the Reclamation Bond to the tune indicated in 5.6(b) above within six (6) months from the date of this permit.

5.9 Closure Certification

Romex Gold Mining Limited shall submit a Reclamation and Decommissioning Plan for **APPROVAL** by the Agency and subsequently obtain a closure certificate from the Agency before abandonment of the concession.

5.10 Other Regulatory Requirements

5.7.1 Compliance with Mining Regulations, 1970 (LI 665).

5.7.2 Compliance with provisions of the Water Resources Commission Act, 1996 (Act 522).

5.7.3 Compliance with provisions of the Minerals and Mining Act, 2006 (Act 703).

5.7.4 Notwithstanding this Permit, the Mpeasem Alluvial Gold Mining Project is further subject to other relevant regulations and permits and must be observed.

5.11 Environmental Impact Assessment Commitments - Mpeasem Alluvial Mining Project

5.11.1 Mining

(a) The copany shall mine **ONLY THE AHENSU, AKWABO AND AFIAFI VALLEY(S)**

(b) The company shall divert where necessary sections of the rivers within the blocks as indicated in (a) above and in conformity with diversion canal characteristics as indicated in the EIS.

(c) The company shall **NOT MINE THE BLOCKS SIMULTANEOUSLY**, but follow the schedule of mining as presented in figure 3 of the approved EIS of September, 2012.

(d) The company shall proceed with operations at Akwabo and Afiafi valley blocks only after successful operation and reçlamation of **AHENSU VALLEY** and subsequent **APPROVAL FROM THE AGENCY.**

5.11.2 Installation of Plant and Equipment

(a) The company shall install gravity separation equipment at a central processing site within the block.

(b) The company shall install a water pump, generator and lighting system.

5.11.3 Transportation of Gravel

The company shall haul the gold bearing gravel using rear-end tipper trucks to the gravity separation plant.

5.11.4 Ore Processing

(a) The company shall process the gold bearing material by gravity separation method only.

(b) The company shall not use **MERCURY** in processing of the concentrate.

5.11.5 *Occupational and Public Safety Management*

(a) The company shall establish a fully equipped First Aid Facility at the mine to handle any minor injuries/illness and incompliance with terms and conditions as may be prescribed by the Inspectorate Division of the Minerals Commission.

(b) The company shall record all accidents in order to take the necessary corrective masures to eliminate or minimise their occurrence and incompliance with terms and conditions as may be prescribed by the Inspectorate Division of the Minerals Commission.

(c) The company shall provide reflective borders and adequate illumination around mining sites especially at night.

(d) The company shall provide protective clothing/gear for permitted visitors to the mine site.

(e) The workers shall be trained in the proper handling and use of equipment and safety measures prior to Mpeasem Alluvial Gold Mining Project.

(f) The company shall provide protective clothing/gear such as helmets, steel boots, earmuffs, nose masks and hand gloves for workers.

5.11.6 *Water Management*

5.11.6.1 *Water Quality*

(a) Land clearance for the alluvial mining shall be restricted to minimize silt laden surface run – off entering the drainage systems.

(b) Protect all exposed surfaces to avoid erosion and siltation of drains, drainage channels and water bodies.

(c) The company shall construct diversion channels to intercept water from low lying free draining areas in other to prevent contamination of the Akwabo, Afiafi and Ahensu streams.

(d) The company shall **CONSTRUCT AND OPERATE FUNCTIONAL SILT TRAPS** where appropriate across streams to intercept surface run – offs within the project corridor.

(e) The company shall ensure that no water course is blocked during construction and usage /operation of the alluvial mining project.

(f) The Company shall monitor the following parameters among others including pH, total dissolved solids (TDS), colour, turbidity, conductivity, dissolved oxygen, arsenic, mercury, cadmium, lead, silver, chromium, and iron and report same in the Monthly Environmental Returns.

5.11.6.2 *Water Requirements For Processing Operations*

(a) The company shall obtain an abstraction permit from Water Resources Commission prior to the abstraction.

(b) The company shall abstract water for the alluvial process from the Offin River at a rate of $44m^3$ per hour as stated in the published EIS.

(c) The company shall augment the abstracted water with groundwater and surface water flows during rainfall periods.

(d) The company shall recycle the process water via the raw water pond to ensure continuous supply and efficiency of the process water usage that enhances a plausible water balance management system.

5.11.6.3 Community Water

(a) The construction and operation of the mining activities etc must be conducted in a way that will not impact negatively on the water resources of catchment communities.

(b) In the event that the construction and operation of the mine affects any water resource the company shall provide adequate and potable water for the affected community(ies).

(c) The company shall undertake a comprehensive needs assessment to identify the water requirements of the downstream communities .i.e. prior to the constructional phase of the project and submit the report to the Agency.

(d) The company shall provide additional boreholes to deserving communities based on the assessment.

5.11.7 Dust Management

(a) A speed limit of 20km/hr will be strictly enforced on all haul roads to further reduce dust emissions.

(b) Dust from movement of vehicles should be minimized by frequent (possibly twice a day) watering of road surfaces especially during the dry season.

(c) Dust and particulate emission from such areas must not exceed 150μg/m^3

5.11.8 Noise Management

(a) The company shall provide personnal protective equipment (ear plugs, boots, goggles and gloves) to workers.

(b) The company shall maintain adequate vegetation buffer to dampen the noise levels.

5.11.9 Hydrocarbon Spill Management

(a) The company shall provide appropriate facilities for storage of fuel, oil and lubricants as well as for waste oil and lubricants to prevent leakages/spillages from causing environmental pollution.

(b) Construct protective bunds around fuel and oil storage tanks with adequate capacity to contain the total content of the tanks in the event of spillage.

(c) The company shall draw and implement a schedule for the collection of waste oil.

(d) The company shall ensure that used oil is stored temporally in drums and is disposed off in an environmentally friendly manner.

(e) The company shall ensure oil filters and other small oil containers are collected separately, well drained and flattened before disposal into the solid waste landfill site.

5.11.10 Socio – Economic

(a) The Company shall pay adequate and timely compensation for properties that may be affected according to rates agreed between the Company and the Project Affected Persons, taking into consideration sections 72, 73 and 74 of the Minerals and Mining Act (Act 703), 2006.

(b) The agreed compensation package for properties that may be affected must be reached with the involvment of all stakeholders including the Upper Denkyira West and Amansie West District Assemblies and report on the outcome submitted to the Agency before commencement of the project.

(c) Alternative livelihood programmes shall be developed to ameliorate periods of economic displacement as stated in section 4.4.10.3 of the approved EIS of Sepetember, 2012.

(d) The company shall formulate a Corporate Social Responsibility Agreement in consultation with the Upper Denkira West and Amansie West District Assemblies within six (6) months of commencement of operations.

5.11.12 Environmental Quality Monitoring

(a) The company shall sample and analyse the upper, middle and downstream sections of the Offin River o weekly bais for the first our (4) months and subsequently on monthl basis. The parameters to bemonitored shall include pH, total suspended solids, colour, turbidity, conductivity, mercury, cadmium and iron and rport same in the monthl Environmental Returns.

(b) The company shall sample and analyse all boreholes at Mpeaseam, Amoamang, Aburi, Pewudie and Ayiem

(c) The company shall monitor the freeboard of the slime dam, overflow, dam stability, leakages every fortnight and report the same in the Monthly Environmnetal Returns.

(d) The company shall monior areas of possible erosion every fortnight and report the same in the Monthly Environmental Returns.

(e) The company shall install a rain guage on the concession to monitor the rainfall pttern.

(f) The company shall monitor noise levels at the wash plat site and within the catchment communities on monthly basis and report the same in the monthly Environmental Returns.

(g) The company shall monitor dust levels at the haul roads, mine stes and any other identified area on montly basis and report same in the Monthly Enironmental Returns.

(h) The company shall monitor especially dust and water related diseases emanating from their operations and report the same in the Annual Environmental Report.

(i) The company shall monitor and review accidents records at the mine vincinity in particular and on the concession in general involving the public on monthly basis and report the same in he Annual Environmental Report.

(j) The company shall monitor compensation payment, local employment levels, training levels and cash flow in the local econmomy on monthly basis and report same in the Annual Environmental Report.

(k) The company shall monitor changes in health patterns and indicators of living conditions, influx of population and structural changes on monthly basis and report same in the Annual Environmental Report.

(l) The company shall conduct frequent monitoring along the length of the slime dam to ensure early detection of any spillage/potential breach.

(m) The company shall monitor closely the prescribed safety measures and workplace accident.

5.11.13 Soil Resources

The company will manage the soil resources by adopting the following measures:

(a) Land clearance will be limited to a minimum. Areas will be cleared only when necessary.

(b) Whenever possible early re-vegetation of disturbed areas will be undertaken.

(c) RMG will use natural erosion control vegetation to control sheet and rill erosion.

(d) Siltation channels and storm water drains will be constructed around and within the operational area.

(e) Topsoil will be stockpiled at strategic locations and left undisturbed.

5.11.14 Slime Dam/Settling Ponds

The company shall ensure that:

(a) The stability of the dam embankment will be closely monitored to avoid any possible breach of the dam.

(b) The free board of the dam will be used to establish the elevation of the lowest point of the embankment crest relative to the normal or maximum operating levels of the process water.

(c) There should be daily and visual inspection to ensure that the minimum operating free board levels are complied with in relation to the dam design.

(d) Dam leakages should also be monitored on a daily basis.

(e) The company shall construct a settling and process water dams with adequate capacities to contain all the process water.

(f) The company shall operate the dams in a manner to safeguard the integrity of the external environment.

5.11.15 Waste Management

(a) The company shall segregate waste into decomposable and non-decomposable contents at source.

(b) The company shall compost organic waste and use it in its re-vegetation activities.

(c) The shall construct well engineered landfill site to contain all domesic and office waste that will be generated within the project area.

(d) The company shall provide well labelled waste bins at vantage points to receive domestic and office waste.

(e) The company shall manage all material in the landfill in a manner to avoid garbage being blown about by wind.

(f) The company shall consider the disposal of non-toxic industrial waste (i.e. tyres, scrap metals, packaging material e.g. plastic containers, wood, cardboards etc only after all other options of reduction, re-use and recycling has been eliminated.
(g) The company shall ensure that waste that cnnot be re-used, recycled etc will be buried in the landfill.
(h) All obsolete chemicals (if any) should be handled in accordance with EPA guidelines. The Chemicals Control and Management Centre (CCMC) of EPA shall be contacted for directives on disposal mechanisms.

5.11.16 Visual Impact and Land degradation Management

(a) The company shall restrict clearance of all vegetation to only areas required for mining operations.
(b) The company shall undertake concurrent reclamation of all disturbed areas.

5.11.17 Reclamation and Decommissioning

(a) The company shall undertake concurrent/progressive reclamation of all disturbed areas when possible. The reclamation units shall include slime/tailings dam, raw water dam, settling ponds, excavated/mined out pits, wash plant site haul and access roads.
(b) The company shall undertake reclamation in accordance with schedule II of the reclamation Security Agreement.
(c) The company shall rehabilitate the site in order to obtain post-mining land use compatible with the prevailing rural conditions of the area.
(d) The company shall provide a long term stable site configuration to ensure public safety and reclaim the disturbed site for beneficial post mining land use.
(e) The company shall provide adequate funds for the implementation of the reclamation and decommissioning activities.
(f) The company shall adopt the following monitoring techniques in order to achieve sustainable reclamation of disturbed sites and ensure end use suitability of rehabilitated land:
    - Soil erosion controls
    - Quantitative analysis of vegetation cover and
    - Return of fauna to rehabilitated sites.
(g) The company shall decommission the project in accordance with Ghana's Mining and Environmental Guidelines as well as the lease Agreement granted by the Ministry responsible for mines. These include but not limited to the following:
    - Plant, machinery and equipment which have not depreciated beyond recovery shall be dismantled;
    - The company shall enter into negotiations with relevant government institutions i.e. Minerals Commission etc for the takeover of the decommissioned equipment, sale to an interested party or moved to a prospective new site;
    - Mine equipment that have completely depreciated shall be sold as scrap to

recognised dealers and

- The company shall negotiate with the Upper Denkyira West and Amansie West District Assemblies, and other stakeholders for a smooth transfer of all immovable assets to the local authorities.

5.12 Closure Documentations

The Company shall submit the following documentations at least two years and or at any period to be prescribed by the Agency before closure.

- Updated Closure Plan.
- Closure Construction and Designs.
- Post-Closure Monitoring Plan.
- Post Closure Emergency Management Plan.

5.13 Permit Exceptions

5.13.1 This permit **CANNOT** be used to operate in any other concessions except the Mpeasem concession.

5.13.2 This permit **DOES NOT** cover forest reserves, wildlife reserves, wetlands and natural heritage areas.

5.13.3 This permit **DOES NOT** cover the transportation, storage and handling of fresh/unused hydrocarbons.

5.13.4 This permit **CANNOT** be usede to operate the hard rock deposit in the concession

5.13.5 This certificate is **NOT** transferable.

6.0 INTERPRETATIONS

In this permit, the following expressions shall have the following meanings:

"Abandonment"- means voluntary surrender of property (or a right to property) with no intention of taking it back

"Agency"- means Environmental Protection Agency established by the Environmental Protection Agency Act (Act 490), 1994

"Company" – means Romex Mining Ghana Limited

"RMGL" – means Romex Mining Ghana Limited

"Application" - means application for this permit together with any response to a notice served and any other information formally accepted by the Agency as being part of the application

"*Buffer Zone*"- means any area that serves the purpose of a barrier between two or more other areas and helps to protect the environment

"EIS" – means Environmental Impact Statement

"*Reclamation*"- The conversion of wasteland or disturbed land into land suitable for settlement development or crop cultivation or any other landuse

"*Silt traps*" – An engineered system designed to remove suspended particles from surface runoffs with the following parameters being taken into consideration:

a. Volume of dirty runoff passing through the trap.j
b. Rainfall recurrence interval that the silt trap shall be able to accommodate.
c. Velocity at which the runoff enters and passes through the trap.
d. Expected silt load .
e. Particle size distribution expected to be settled in the trap.
f. Access being made available for maintenance.

Providing false information or failure to comply with or observe all the permit conditions above will attract the necessary penalties prescribed under the Environmental Assessment Regulations 1999 (LI 1652) and also lead to the suspension, cancellation or revocation of this permit or to prosecution.

D.S. AMLALO
AG. EXECUTIVE DIRECTOR

Date: 24TH October 2012

NOTIFICATION
The Hon. Minister, Ministry of Environment, Science and Technology, Accra
The Hon. Minister, Ministry of Lands and Natural Resources, Accra
The Chief Executive, Minerals Commission, Accra
The Chief Executive, Water Resources Commission, Accra
The Chief Inspector, Inspectorate Division, Minerals Commission, Accra
The District Chief Executive, Upper Denkyira West District Assembly, Diaso, Central Region
The District Chief Executive, Amansie West District Assembly, Manso-Nkwanta, Ashanti Region
The Regional Director, Environmental Protection Agency, Cape Coast, Central Region
The Regional Director, Environmental Protection Agency, Kumasi, Ashanti Region

Exhibit "G"

33 Airport Ridge,
Takoradi,
Ghana
Tel: 03120-32896

COASTAL EXPLORATIONS LIMITED.

P.O. Box TD 422,
Takoradi,
Ghana

29 November 2012

BY FAX AND EMAIL

Minatura (BVI) Ltd.
31225 La Baya Drive, Suite 107
Westlake Village, CA 91362
Attention: CEO or COO
Fax: 1.805.435.1703
Email: tod.turley@minatura.com
paul.dias@minaturagold.com

NOTICE OF DEFAULT

Reference is made to the Shareholders Agreement entered into as of the 27th day of April, 2012 between Minatura (BVI) Ltd., Coastal Explorations Ltd. and Aburi Goldfields (Ghana) Ltd. (the "Agreement").

You are hereby notified that all of the Contributed Equipment (as defined in the Agreement) has *not* arrived at the Aburi property by the Equipment Delivery Date (as defined in the Agreement). In accordance with the Agreement, Minatura has 20 days from the date hereof to cure this deficiency, otherwise the Agreement will terminate and be of no further force and effect.

We expect that you will provide the Contributed Equipment to the Aburi project in accordance with the terms of the Agreement within the 20 day cure period.

Your failure to perform and provide the Contributed Equipment as agreed will put the Aburi project at risk, increase Coastal's risk and cause damages to the project and Coastal.

Yours truly,

Tom Griffis
Director

Copy to: Orestes Pasparakis, Norton Rose

Exhibit "H"

ABURI GOLDFIELDS (GHANA) LIMITED

WRITTEN SHAREHOLDER RESOLUTIONS

The following written ordinary resolutions were duly passed in accordance with sections 174(1), 181(4) & 272(2) of the Companies Code 1963 (Act 179) by the members entitled to receive notice of and attend and vote at general meetings of the Company acting by their duly authorized representatives.

ORDINARY RESOLUTIONS

1. That TOD TURLEY and ANDREW FOGLE are removed as Directors of the Company effective the date of this resolution.

2. That LINDA ANTWI-DONKOR be and is hereby appointed as a new Director of the Company effective the date of this resolution.

3. That A. THOMAS GRIFFIS, BOB GRIFFIS and LINDA ANTWI-DONKOR be and are hereby confirmed to be all of the Directors of the Company.

DATED THIS 21 DAY OF DECEMBER, 2012

Robert J Griffis

Exhibit "I"

From: John Rae [johnrae@magma.ca]
Sent: December 27, 2012 9:04 AM
To: 'Tom Griffis'
Cc: 'Elia Crespo'; 'Bob Griffis'; 'Michael Campbell'
Subject: RE: Aburi Goldfield Ltd.

Hi
The notice of default was prepared by Minatura in-house legal counsel and COO Todd Turley with advice from their Ghanaian counsel Kweku Sey and Minatura CFO Andrew Fogle. GRGML is a wholly owned subsidiary of Minatura. I am a director of GRGML but not a shareholder but was told to send the letter on behalf of GRGML. I hope we can sort out our differences asap and I am available this week anytime to meet and discuss and will attempt to arrange a meeting between Tod, Andrew and yourselves.
Cheers,
John

From: Tom Griffis [mailto:tom@griffis.ca]
Sent: December-24-12 11:17 AM
To: john rae
Cc: Elia Crespo; Bob Griffis; Michael Campbell
Subject: RE: Aburi Goldfield Ltd.

John
We will respond to the points you make in your letter in separate correspondence. All of your assertions are incorrect and Aburi Goldfields (Ghana) Limited disagrees with the alleged default.

In any case, the agreement does not give Ghana Rae the right to arbitrarily withdraw services, or terminate the Contract Operating Agreement. Section 17, which you quoted, requires that if the allegedly defaulting party disagrees with an alleged default, which Aburi Goldfields does, the matter will be submitted to binding arbitration and if (and only if) the existence of the default is confirmed, then Aburi must be given an opportunity to cure as determined in the arbitration. Similarly, Section 21 requires that any dispute or controversy shall first be attempted to be settled by informal mediation for at least 10 days, and if it is still unresolved then the matter shall be determined by arbitration in accordance with the rules of the Ghana Arbitration Centre.

You do not have the right to withhold services to the Aburi Project and Aburi Goldfields will suffer enormous damages if you do so. Please confirm that you will abide by the terms of the agreement, continue to provide services to the Aburi Project and submit to arbitration as set out above.

John is this your initiative, or has this course of action been directed by Minatura? When you were in our office on Thursday last week you did not raise any of these concerns and if you had they could have been addressed.
Tom

From: John Rae [mailto:johnrae@magma.ca]
Sent: December-24-12 9:34 AM
To: Tom Griffis; Tod Turley; 'Bob Griffis'; 'Paul Dias'; Michael Campbell; Andrew Fogle.
Subject: Aburi Goldfield Ltd.

Hi
Please find attached the notice of default to Aburi Goldfield Ltd.. Ghana Rae Gold Mines Ltd. has been providing services to the mine the Aburi Project under the above contract. GRGML is a Ghanaian registered exploration and

mining service provider and is a wholly owned subsidiary of Minatura (BVI) Ltd. I am at home in Canada and would be available this week to discuss the situation, at either parties convenience.
Regards
John

John Rae, P. Geo
Managing Director
Ghana Rae Gold Mines Ltd.
Ghana: +233 549 186 977
Cell: +1 647 505 5641
Skype: john.rae.geo

From: John Rae [johnrae@magma.ca]
Sent: December 24, 2012 9:34 AM
To: Tom Griffis; Tod Turley; 'Bob Griffis'; 'Paul Dias'; Michael Campbell; Andrew Fogle.
Subject: Aburi Goldfield Ltd.
Attachments: GRGML default notice to Aburi Goldfield Dec 2012.pdf; GRGML agreement with Aburi Goldfield Ltd.June 2012.pdf

Hi
Please find attached the notice of default to Aburi Goldfield Ltd.. Ghana Rae Gold Mines Ltd. has been providing services to the mine the Aburi Project under the above contract. GRGML is a Ghanaian registered exploration and mining service provider and is a wholly owned subsidiary of Minatura (BVI) Ltd. I am at home in Canada and would be available this week to discuss the situation, at either parties convenience.
Regards
John

John Rae, P. Geo
Managing Director
Ghana Rae Gold Mines Ltd.
Ghana: +233 549 186 977
Cell: +1 647 505 5641
Skype: john.rae.geo

Ghana Rae Gold Mines Limited

To: Aburi Goldfields (Ghana) Limited
F142/8 Dade Street
Labone, Accra
Ghana

NOTICE OF DEFAULT

We, Ghana Rae Gold Mines Limited of F142/8 Dade Street Labone, Accra give you Aburi Goldfields (Ghana) Limited notice pursuant to Clauses 6 &17 of the Contract Operating Agreement dated June 6, 2012 between Ghana Rae Gold Mines Limited ('Operator') and Aburi Goldfields (Ghana) Limited ('Aburi') as follows:

1. The Contract Operating Agreement dated June 6, 2012 between Ghana Rae Gold Mines Limited and Aburi Goldfields (Ghana) Limited states at Clause 6 that;

   "a. as compensation to Operator for performing the work under this Agreement, Aburi shall reimburse all those expenses incurred by Operator covered under the Work Plan Plus 20% of the Operator's actual labour costs for persons specified on Schedule 6 (a); provided that Aburi shall not be obligated to pay Operator above the budgeted amounts in the Work Plan without a cost overrun approval by Aburi in writing.

   b. Aburi shall advance the full budgeted amount to Operator in advance of each calendar month as per the Work Plan then in effect, less any unbilled accumulated advances for prior months. Operator will invoice Aburi within 30 days of the last day of each month for the actual amounts owed.

   c. Prior to the first month of commercial production of gold, Aburi and Operator will agree on a bonus plan which will require Aburi to make additional payments to Operator for meeting and exceeding the projections in the Work Plan.

   d. Payments shall be made by check or wire transfer to an account designated by Operator. "

Aburi has not paid nor provided budgeted monthly payments to Operator in breach of Clause 6 of the Contract Operating Agreement and is currently and has constantly been in arrears in payment due to the Operator in the sum of US$40,986.97 (forty thousand nine hundred and eighty six U.S. dollars ninety seven cents), some payments have been outstanding since August 2012 and has caused the Operator significant issue with not being able to pay staff and the said sum is due and owing from Aburi to the Operator and constitutes a material default of Aburi's obligations. Neither has Aburi agreed a bonus plan with the Operator.

F 142/8 Dade Walk, North Labone
Accra, Ghana
0302730451 phone

Ghana Rae Gold Mines Limited

Aburi has consequently caused loss and damage to Ghana Rae by the above stated breach of Clause 6 of the Contract Operating Agreement which constitutes a material default of Aburi's obligations as provided for under clause 17 of the Contract Operating Agreement.

2. Minatura has brought to the Operator's attention certain mining operations which it believes is illegal and the Operator needs clarity on the legitimacy of this project as it has been asked to provide resources to this project. Until such time as such concerns are properly addressed, the Operator will withdraw from any resources it provides to the small scale mining project on the Ahensu River (a tributary to the Offin River), adjacent to the Aburi site.

3. Furthermore the Operator wants to ensure that is not being asked to operate the Aburi plant or any of the equipment and/or infrastructure on behalf of or for the benefit of the Small Scale Mining being conducted at Aburi until the legitimacy of such operations are properly confirmed.

4. Until such concerns are properly addressed Ghana Rae personnel are not authorised to conduct mining activities on the Aburi site as operating on the Romex title would be a clear breach of the provisions of the Minerals and Mining Act,2006 (Act 703) as Aburi is not a licensed mining services provider.

Dated this 24st day of December 2012.

John Rae
Director, Ghana Rae Gold Mines Limited

F 142/8 Dade Walk, North Labone
Accra, Ghana
0302730451 phone

Contract Operating Agreement
Aburi Project, Ghana

This Agreement ("Agreement") is entered into this 6th day of June, 2012 between Aburi Goldfields (Ghana) Limited, a company incorporated under the laws of Ghana ("Aburi") and Ghana Rae Gold Mines Ltd., a limited liability company organized under the laws of Ghana ("Operator"). Aburi and Operator are referred to individually as a "Party" and collectively as the "Parties."

1. Purpose. This Agreement establishes the basis on which Operator, as operator, will provide the personnel and certain equipment to develop and mine the Aburi alluvial gold deposit (the "Deposit") which is contained in the prospective mining lease in the Mpeasem area for which an application was applied by Romex Mining Ghana Limited ("Romex") on October 6, 2011with Minerals Commission of Ghana (the "Lease") for the mutual benefit of the Parties. Romex and Aburi have entered into an agreement pursuant to which Aburi has the exclusive right to conduct alluvial mining on the property in the Lease (the "Project") and ultimately will acquire the alluvial portion of the Lease from Romex, subject to the approval from the Minerals Commission.

2. Term. The initial term of the Agreement will be for four years and so long thereafter as minerals are produced from the Deposit in commercial quantities, subject to events of force majeure or temporary suspension of operations during periods of low metals prices. Aburi shall have the right to terminate the Agreement in its sole and absolute discretion upon 90 days prior written notice.

3. Operations. Operator will conduct all alluvial operations on the Deposit (the "Work") and will bear all costs and expenses of exploration, development and mining of the Deposit pursuant to that certain Feasibility Study of the Aburi Alluvial Gold Project dated August 2011, attached hereto as Exhibit A, as amended from time to time (the "Feasibility Study") and that certain Work Plan and Budget, attached hereto as Exhibit B, as amended from time to time with the approval of Aburi (the "Work Plan").

4. Operating Permits.Unless Operator can obtain such permits and approvals under applicable law, Aburi will obtain all governmental permits or approvals required in connection with exploration, development, mining and closure related to operations to be conducted on the Deposit under the Agreement. Operator will cooperate in obtaining such permits or approvals, with reimbursement by Operator for Aburi's reasonable out of pocket expenses. Aburi will cooperate and provide Operator with all reasonably necessary assistance to register the Agreement with government mining authority if required and to obtain approval for Operator to conduct operations on the Deposit if required.

5. Proceeds of Production. Aburi shall have the sole right to sell and receive the proceeds from (and alternatively, at Aburi's option to co-ordinate such sales with Romex) all gold and other minerals recovered from the Deposit for the benefit of Aburi, and will seek in accordance with applicable laws to minimize the amount of money that must be repatriated to Ghana to cover (a) reimbursement to Operator for Operator's cumulative costs and expenses in conducting operations plus Operator's compensation set forth in this Agreement to the extent such costs and expenses must be paid in Ghana, and (b) taxes, royalties and other payments required to be made to the government

and (c) such other amounts that must be repatriated as required by law.Operator will provide to Aburi each month a detailed statement setting forth the basis for reimbursement of cumulative costs and expenses plus compensation and Aburi will provide to Operator each month a summary of the amount of gold and other metals marketed, the proceeds derived from such marketing and the location and disposition of all such proceeds and the basis for the calculation of Aburi's share of production together with all settlement or other receipts obtained from the purchaser of metals produced from the Deposit.The holder of the Lease (Romex or Aburi) will also pay or arrange the payment directly to the government any royalty, taxes or other obligations owed to the government under the Lease for production on the Deposit and provide copies to Operator of all submittal documentation and proof of payment.

6. Compensation of Operator.

(a) As compensation to Operator for performing the work under this Agreement, Aburi shall reimburse all those expenses incurred by Operator covered under the Work Plan plus 20% of the Operator's actual labor costs for the persons specified on Schedule 6(a) to the extent such persons are used in connection with the Project; provided, that Aburi shall not be obligated to pay Operator above the budgeted amounts in the Work Plan without a cost overrun approval by Aburi in writing.

(b) Aburi shall advance the full budgeted amount to Operator in advance of each calendar month as per the Work Plan then in effect, less any unbilled accumulated advances for prior months. Operator will invoice Aburi within 30 days of the last day of each month for the actual amounts owed pursuant to Section 5(a) hereof.

(c) Prior to the first month of commercial production of gold, Aburi and Operator will agree on a bonus plan which will require Aburi to make additional payments to Operator for meeting and exceeding the projections in the Work Plan.

(d) Payment shall be made by check or wire transfer to an account designated by Operator.

7. Taxes and Assessments. Operator shall be responsible for all income, withholding and other taxes and assessments on its operations and the income resulting therefrom. Aburi shall be responsible for all income taxes resulting from its net income and any applicable severance tax, gross proceeds of mine tax, federal royalty or other form of governmental assessment imposed on production of gold on the Deposit. Operator shall be responsible for any sales, use, property (including ad valorem) or other taxes on the equipment, supplies, improvements and materials purchased, leased, installed or used in connection with the operations contemplated herein, provided, that such taxes will be reimbursable to Operator subject to the conditions in Section 6(a) hereof.

8. Data and Information.Aburi will make available to Operator, at no cost, all information and data in its possession related to the Lease and the Deposit. Each Party will promptly make available to the other copies of all correspondence or other information given to or received from any governmental agency having jurisdiction over the Lease or the Deposit.

9. Reclamation and Closure. Upon termination of the Agreement, or sooner if required by the laws of Ghana, Operator will reclaim all surface disturbance resulting from its operations to the requirements of law.

10. Reports. Operator will provide monthly reports to Aburi, summarizing expenditures made and operations conducted during the previous quarter and anticipated operations for the upcoming quarter.

11. Audits and Inspection. Each Party will maintain detailed books and records with respect to all activities required by it under the Agreement and such books and records will be subject to audit at all reasonable times. In addition, Aburi may, upon reasonable notice, inspect the operations being conducted by Operator to insure compliance with the Agreement.

12. Representations and Warranties.

(a) Operator represents and warrants that (1) it is a corporation duly organized, validly existing, and in good standing under the laws of its state of formation, has all requisite power and authority to perform the Work and is, or prior to commencement of the Work will be, duly qualified, licensed and authorized to do business and is in good standing in the state where the Work is being performed; (2) it has special skills and competent, available and sufficient personnel which qualify it to perform the Work in a timely manner; (3) it is free to perform the Work; and (4) nothing in any contract or agreement to which it is a party in any way prohibits, prevents or interferes with the performance of this Agreement, and that such performance will not result in a violation of any of the foregoing. Operator has visited the mine site and is aware of the nature of the Work to be performed and the conditions involved at the mine site and understands and accepts the risks of the operations.

(b) Operator represents and warrants that it is, and will be at all times during the term of this Agreement, in good standing and qualified to do business in Ghana.

13. Insurance. Operator shall be responsible for the following types of insurance:

(a) Required Labor Law Insurance. Operator shall purchase and maintain insurance covering Operator's employees as required by Ghana with a limit of not less than that required under state law. Operator shall also require each of its subcontractors to provide the same insurance covering the above liability.

(b) Bodily Injury and Property Damage Liability.

(1) Automobile. Operator shall maintain at all times during the performance of the Work, automobile liability insurance covering claims for bodily injury, including wrongful death, as well as property damage which may arise from the ownership, use or maintenance of owned, non-owned or rented trucks or automobiles, including licensed or unlicensed vehicles, whether such operation is by Operator or by anyone directly or indirectly employed by Operator, with reasonable limits for this type in insurance in Ghana, naming Operator as the insured and including an endorsement naming Operator as an additional named insured.

(2) Comprehensive General Liability. Operator shall maintain at all times during the performance of the Work, comprehensive general liability insurance for both bodily injury and property damage liability, including coverage for completed operations, contractual liability and personal injury (other than automobile), covering claims which may arise from any operations under this Agreement, whether such operations be by Operator or by anyone directly or indirectly employed by Operator, in an amount of no less than $2,000,000, combined single limit, naming the Operator as the insured and including an endorsement naming Operator as an additional named insured. If available, Operator will obtain a group insurance policy that includes Aburi in the insurance coverage.

(3) Subcontractors. Operator shall require each of its subcontractors to provide the insurance required by this Section, in each case including an endorsement naming Operator as an additional insured.

(c) Insurance Procedure. Operator shall furnish evidence of the foregoing required insurance prior to commencing the Work. All insurance required by this Section shall remain in force until termination of the Work. No Work may be commenced until insurance certificates have been given to Operator.

14. Indemnification.Operator shall indemnify and hold harmless Aburi and its officers, directors, shareholders, employees, agents and representatives (the "Indemnified Parties") from and against any and all costs, damage or injury, loss, liability, expense, including legal and consultant fees and disbursements, claims, demands, causes of action or awards ("Claims or Damages") caused by, resulting from, arising out of or occurring in connection with the performance of the Work to the extent caused by the actions, inactions, errors or omissions of Operator, its officers, directors, employees, agents, representatives or subcontractors, except to the extent such Claims or Damages were caused in part by the negligence or willful misconduct of any of the Indemnified Parties, whether or not such Claims or Damages are insurable or covered by insurance. This paragraph shall survive expiration or termination of this Agreement.

15. Subcontractors.Operator shall be responsible to Aburi for Operator's acts and omissions and for the acts and omissions of its subcontractors. Each subcontractor shall also be fully responsible for compliance with the terms of this Agreement.

16. Liens. Operator will not allow any laborers', mechanics' or materialmen's liens or other liens or claims of any kind whatsoever to be filed or maintained by Operator or any subcontractor, materialman or other person or entity acting by, through or under any one of the foregoing persons or entities against the Property or any part thereof or the products produced therefrom and shall deliver, in a form acceptable to Aburi, its release of liens and similar releases by each subcontractor and suppliers.

17. Termination. Either Party may terminate the Agreement if the other Party is in material default and, after notice and a reasonable to cure, fails to cure or to commence to cure and diligently pursue cure, of such default. If the allegedly defaulting Party disagrees with an alleged default, the matter will be submitted to binding arbitration and, if the existence of the default is confirmed, the defaulting Party will be given an opportunity to cure as determined in the arbitration.

18. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties without the express consent of the other.

19. Independent Contractor. Operator is, and shall remain, an independent contractor. Operator shall be responsible for and shall withhold or pay, or both, as may be required by law, all taxes pertaining to the employment of its personnel and/or performance of the Work. Operator shall not represent itself as the agent of Aburi.

20. Force Majeure. Neither Party shall be considered in default of the performance of any obligation hereunder to the extent that performance of such obligation is delayed, hindered or prevented by Force Majeure; provided, however, that the affected Party gives prompt notice of the claimed delay and uses all reasonable diligence to eliminate the cause of such delay. Force Majeure includes, but is not limited to, acts of God, war, strikes, floods, blockades, hostilities, restraints by rulers of peoples, revolution, riots, lockout or other labor disturbances (whether or not within the power of the affected Party to concede), epidemics, fire, tornadoes, any law or regulation of any governmental agency or court or any other cause, whether or not similar to those enumerated above, which is not reasonably within the control of the Party claiming Force Majeure.

21. Disputes. Any claim, dispute or controversy relating to this Agreement, or the breach thereof, shall be first attempted to be settled by informal mediation by a representative designated by each Party. If the same is unresolved after 10 days, then the matter shall be finally determined and settled by arbitration under the auspices and Rules of the Ghana Arbitration Centre by one or more arbitrators appointed in accordance with the Rules of the Ghana Arbitration Centre. Judgment upon the award rendered by the Arbitrator(s) shall be binding upon the Parties and may be entered in any Court having jurisdiction thereof. The costs of arbitration shall be borne by the respective parties.

22. Severability. In the event that any provision, or portions or applications of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, Operator and Aburi shall negotiate an equitable adjustment of the affected provision or provisions of the Agreement with a view toward effecting the purpose of the Agreement, and the validity and enforceability of the remaining provisions or portions or applications thereof shall not be affected thereby.

23. Waiver. Waiver by either Party of any right or duty afforded it under the Agreement, or any breach of the Agreement, shall not constitute a waiver of any other right or duty, or any other breach or future breach.

24. Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Republic of Ghana.

25. Notices. All notices to either Party shall be in writing and addressed as hereinafter set forth. Such Notices shall be sufficiently given if (1) delivered in person or by electronic communication with a confirmation copy sent by mail, return receipt requested; or (2) sent by certified or registered mail, return receipt requested. All Notices shall be effective and shall be deemed delivered (i) if by personal delivery on the date of delivery; (ii) if by electronic

~~communication (email or fax) on the next business day following transmittal; and (iii) if solely~~ by mail on the third day following the date of mailing.

If to Aburi:

F142/8 Date Street
Labone, Accra, Ghana
Attention: Bob Griffis
arjaygriffis@yahoo.ca

With a copy to:

31225 La Baya Drive, Suite 107
Westlake Village, CA 91362
Attention: Tod Turley
tod.turley@minatura.com

With a copy to

70 York Street, Suite 1410
Toronto, Ontario M5J1S9
Attention: Michael Campbell
michael@griffis.ca

If to Operator:

F142/8 Dade Street
Labone, Accra, Ghana
Attention: John Rae
johnrae@magma.ca

26. Entire Agreement. This Agreement constitutes the sole understanding and contains all the agreements of the Parties with respect to the subject matter hereof and no prior agreements, understandings, or oral or written representations shall be binding upon the Parties. No modification, amendment, or waiver of the terms of this Agreement shall be binding upon the Parties unless the same shall be in writing dated subsequent to the date of the Agreement and duly executed by the Parties.

Executed to be effective as of the day and year first above written.

Aburi Goldfields (Ghana) Limited

By: Robert Griffis
Its: Bob Griffis, Director

Ghana Rae Gold Company Limited

By: ______________________
Its: ______________________

communication (email or fax) on the next business day following transmittal; and (iii) if solely by mail on the third day following the date of mailing.

If to Aburi:

F142/8 Date Street
Labone, Accra, Ghana
Attention: Bob Griffis
arjaygriffis@yahoo.ca

With a copy to:

31225 La Baya Drive, Suite 107
Westlake Village, CA 91362
Attention: Tod Turley
tod.turley@minatura.com

With a copy to

70 York Street, Suite 1410
Toronto, Ontario M5J1S9
Attention: Michael Campbell
michael@griffis.ca

If to Operator:

F142/8 Dade Street
Labone, Accra, Ghana
Attention: John Rae
johnrae@magma.ca

26. Entire Agreement. This Agreement constitutes the sole understanding and contains all the agreements of the Parties with respect to the subject matter hereof and no prior agreements, understandings, or oral or written representations shall be binding upon the Parties. No modification, amendment, or waiver of the terms of this Agreement shall be binding upon the Parties unless the same shall be in writing dated subsequent to the date of the Agreement and duly executed by the Parties.

Executed to be effective as of the day and year first above written.

Aburi Goldfields (Ghana) Limited

By: ___________________________
Its: ___________________________

Ghana Rae Gold Mines Ltd.

By: John Rae
Its: Managing Director

4831-0609-2813.1

Exhibit A

Feasibility Study

(attached)

Exhibit B

Work Plan and Budget

(attached)

Aburi Budget- May-June 2012 Exhibit B

Equipment Available for May 2012	Description	Funds Required May-12	Funds Required Jun-12	
Two new Komatsu PC350 Excavators	Minatura-In country-paid $700K			
Two new Komatsu WA470 Front end loaders	Minatura-to arrive end April 2012-to be paid for	700,000		
One Moxy 40 t articulated truck	Minatura-In country-to be paid for	200,000		
New Komatusu D85 bulldozer	Minatura-to be sourced and paid for	400,000		
Xnelson bowls, misc. tools, pumps, gensets	Minatura-to be sourced and paid for	150,000		
2 Articulated dump trucks	To be sourced and purchased		250,000	
Grader, Service truck, light vehicles	Minatura-to be sourced, some in country		100,000	
Capital Expenditures		1,450,000	350,000	
Labour				
Mining personnel	operators for the earthmoving equipment plus support-single shift	9,880	9,880	
Washplant Operators and Assembly	washplant operators and assistance with assembling plant	7,540	7,540	
Maintenance	maintenance department required for machines and plant	4,420	4,420	
Management	managers required for setup and mining oversite	32,000	32,000	
Support staff	administrative and accounting staff	21,150	21,150	
Contractors	misc. contracting staff required for assembly and start up	5,000	5,000	
Travel/Food and Accomodation				
Local	misc travel local	4,000	4,000	
Overseas	Senior staff overseas travel	8,000	8,000	
Local food	one site local food costs	1,520	2,000	
Senior Staff/expat	senior staff on site	1,000	2,000	
Camp Construction				
Install transformer for camp	needs to be purchased and installed at camp	20,000		
Complete dining hall and kitchen	this is largely completed	5,000		
Complete Junior staff containers	this is largely completed	5,000		
Complete Senior staff containers	moving containers to site, renovations to be done	20,000	10,000	
Complete Jr bathrooms	complete	-		
Complete Goldroom	started	15,000	10,000	
Complete Offices	need to move containers to site and renovate	20,000	10,000	
Complete Workshop	need to move containers to site, renovate and purchase tools etc..	10,000	25,000	
IHC Plant				
Moving Plant	plant components mostly at camp, move remaining items to site	5,000		
Build retaining wall, pad, civils	labour and equipment charges covered above-only additional materials	10,000	10,000	
Position Plant and connect	labour and equipment charges covered above-only additional materials	10,000	20,000	
Construct settling ponds	dam and ponds-additional materials/equipment rental costs	10,000	10,000	
Replacement Parts	need cyclone, screen parts ordered	10,000	10,000	
Waterline construction	pumping from Offin River	5,000		
Additional Plant Parts	need pipe, pipe fittings, valves, etc. misc pipefitting to hook up water, electrics	10,000	10,000	
Administrative and Permitting				
Insurance and legal	estimate	5,000	5,000	
Bonds	estimate		25,000	
Accounting, Setting Up Financial Controls etc.	estimate	10,000	10,000	
Total Working Capital				
Minatura with IHC Plant		264,510	250,990	$15,500
Capex				
Minatura	approx. $700,000 spent to date	1,450,000	350,000	1,800,000

Schedule 6(a)

Ghana Rae Gold Mines Ltd. Team
Technical Management
Managing Director
Operations Manger/Production
Chief Geologist/Country Director
Plant Operations/Maintenance & Technical Design
Chief Mechanic/Earth Moving Equipment
Senior Earth Moving Equipment
Mine Manger/Sr Mettalurgist
Mine Manager/Sr Mettalurgist
Plant Design and Commissioning
Site Jr Accountant/Administration
Geologist
Geologist
Environmental & Safety
Reclamation & Crop Compensation
Sr Gold Room Mettalurgist
Grade Control/Jr Mettalurgist
Sr Gold Room Technician
Sr Gold Room Technician
Chief of Security
Asst Chief of Security
Surveryor
Stores and Purchasing Agent
Admin/Financial Controls
Senior Accountant
Human Resources Director
PA/Admin Asst
Sr Ghanaian Acct

Exhibit "J"

From: Tom Griffis [tom@griffis.ca]
Sent: January 11, 2013 12:43 PM
To: Tod Turley; 'john rae'; 'Andrew Fogle.'; Michael Campbell; 'Bob Griffis'; Elia Crespo; "Paul Dias"
Subject: RE: GGC-Minatura discussions

Tod
You are incorrect. Pursuant to clause 7.3(a) the agreement terminated and became of no further force and effect.
The matter of reimbursement of funds Minatura provided to the project is a separate issue.
Regards
Tom

-----Original Message-----
From: Tom Griffis
Sent: January-11-13 8:35 AM
To: 'Tod Turley'; 'john rae'; 'Andrew Fogle.'; Michael Campbell; 'Bob Griffis'; Elia Crespo; ''Paul Dias''
Subject: RE: GGC-Minatura discussions

Tod
The JV was terminated in accordance with the provisions of the JVA and you and Andrew were replaced as Directors.
Regards
Tom

-----Original Message-----
From: Tod Turley [mailto:tod.turley@minatura.com]
Sent: January-10-13 7:05 PM
To: Tom Griffis; 'john rae'; 'Andrew Fogle.'; Michael Campbell; 'Bob Griffis'; Elia Crespo; ''Paul Dias''
Subject: RE: GGC-Minatura discussions

Tom,

As we have previously noted, the Shareholders Agreement was improperly terminated with Minatura (BVI) Ltd. The removal of Andrew and I as directors is invalid and of no force or effect. We are still directors.

Sincerely,

Tod Turley
Chief Operating Officer
The Minatura Group
Int'l tel. (+1) 805.300.5912
Colombia tel. (+57) 321.851.1445
tod.turley@minatura.com
skype: tod.turley

-----Original Message-----
From: Tom Griffis [mailto:tom@griffis.ca]
Sent: Thursday, January 10, 2013 11:11 AM

To: 'tod.turley@minatura.com'; john rae; Andrew Fogle.; Michael Campbell; Bob Griffis; Elia Crespo; 'Paul Dias' (paul.dias@minatura.com)
Subject: GGC-Minatura discussions

Tod

[redacted]

Please note that we have removed both you and Andrew as Directors of Aburi Goldfields (Ghana) Limited.
Regards
Tom

</pre> <p style="line-height: 14px;font-size: 8pt;color: #747679;font-family: Tahoma,Verdana,Arial,sans-serif;text-align:justify">AVISO DE CONFIDENCIALIDAD: El anterior mensaje de correo electrÃ³nico y sus anexos contienen informaciÃ³n confidencial y, por lo tanto, sujeta a reserva. Si usted no es destinatario del mismo debe proceder a informar mediante correo electrÃ³nico a la persona que lo enviÃ³ y a borrar de su sistema tanto el correo recibido como el enviado, sin conservar copias. En todo caso el uso, difusiÃ³n, distribuciÃ³n o reproducciÃ³n del presente mensaje, sin autorizaciÃ³n, es prohibido y puede configurar un delito.

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 <strong style="color: #9BBB59;">Evite Imprimir, contribuyamos con el medio ambienteï¿½ </p>

From: Tod Turley [tod.turley@minatura.com]
Sent: January 11, 2013 9:56 AM
To: 'Tom Griffis'; 'john rae'; 'Andrew Fogle.'; 'Michael Campbell'; 'Bob Griffis'; 'Elia Crespo'; "Paul Dias"
Subject: RE: GGC-Minatura discussions

Tom,

I'm sure you are familiar with Section 7.3(a) of the Shareholders Agreement.
Even if Coastal prevails on its position that its original notice of default with respect to the equipment delivery is valid, Coastal can only terminate the agreement if it reimburses Minatura for its contributions to date.
There are no set off rights, delays, etc. in the agreement which qualify this provision.
Accordingly, there is no termination of the agreement and the actions to remove and me and Andrew from the Board are invalid.

Best,
Tod

-----Original Message-----
From: Tom Griffis [mailto:tom@griffis.ca]
Sent: Friday, January 11, 2013 5:35 AM
To: Tod Turley; 'john rae'; 'Andrew Fogle.'; Michael Campbell; 'Bob Griffis'; Elia Crespo; ''Paul Dias''
Subject: RE: GGC-Minatura discussions

Tod
The JV was terminated in accordance with the provisions of the JVA and you and Andrew were replaced as Directors.
Regards
Tom

-----Original Message-----
From: Tod Turley [mailto:tod.turley@minatura.com]
Sent: January-10-13 7:05 PM
To: Tom Griffis; 'john rae'; 'Andrew Fogle.'; Michael Campbell; 'Bob Griffis'; Elia Crespo; ''Paul Dias''
Subject: RE: GGC-Minatura discussions

Tom,

As we have previously noted, the Shareholders Agreement was improperly terminated with Minatura (BVI) Ltd. The removal of Andrew and I as directors is invalid and of no force or effect. We are still directors.

Sincerely,

Tod Turley
Chief Operating Officer
The Minatura Group
Int'l tel. (+1) 805.300.5912
Colombia tel. (+57) 321.851.1445
tod.turley@minatura.com
skype: tod.turley

-----Original Message-----
From: Tom Griffis [mailto:tom@griffis.ca]
Sent: Thursday, January 10, 2013 11:11 AM
To: 'tod.turley@minatura.com'; john rae; Andrew Fogle.; Michael Campbell; Bob Griffis; Elia Crespo; 'Paul Dias' (paul.dias@minatura.com)
Subject: GGC-Minatura discussions

Tod

[redacted]

Please note that we have removed both you and Andrew as Directors of Aburi Goldfields (Ghana) Limited.
Regards
Tom

</pre><img
src="https://lh3.googleusercontent.com/-Yy_6Yb69o7I/TsqGBkNaA1I/AAAAAAAADwc/
G31LbRs1Qq0/s143/COHO-logo-apps.png" alt="Minatura" /> <p
style="line-height: 14px;font-size: 8pt;color: #747679;font-family:
Tahoma,Verdana,Arial,sans-serif;text-align:justify">AVISO DE
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src="https://lh3.googleusercontent.com/-LgLEz4GABQw/TqcLTTISc1I/AAAAAAAADr0/
QgY2f3mVEyU/s35/icon_tree.jpg" alt="No imprima"/></p>

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Yy_6Yb69o7I/TsqGBkNaA1I/AAAAAAAADwc/G31LbRs1Qq0/s143/COHO-logo-apps.png" alt="Minatura" /> <p
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Exhibit “K”

ROBERT GRIFFIS

- and -

COASTAL EXPLORATIONS LIMITED

SHARE SALE AND PURCHASE AGREEMENT
RELATING TO 100,000 ORDINARY SHARES OF
ABURI GOLDFIELDS (GHANA) LIMITED

DATED EFFECTIVE THE 18th DAY OF APRIL, 2013

SHARE SALE AND PURCHASE AGREEMENT

THIS AGREEMENT is made effective as of the 18th day of April, 2013

BETWEEN

ROBERT GRIFFIS of 13 Effiakumah, Coccoa Villa, P.O. Box 422, Harbour, Takoradi (hereinafter the "Vendor")

- and -

COASTAL EXPLORATIONS LIMITED of F142/8 Dade Street, Labone, Accra, Ghana (hereinafter the "Purchaser")

WITNESSETH THAT:

WHEREAS the Vendor is the registered and beneficial holder of 100,000 ordinary shares of no par value (the "Issued Shares") representing 100% of the issued share capital of Aburi Goldfields (Ghana) Limited ("Aburi");

AND WHEREAS the Issued Shares were issued for a total consideration of GH¢100,000.00 (One Hundred Thousand Ghana Cedis) (the "Issued Shares Consideration") which consideration is payable by the Vendor to Aburi but which payment has not been made to Aburi as at the date hereof.

AND WHEREAS the Vendor agrees to sell and transfer and the Purchaser agrees to purchase the Issued Shares for a nominal consideration upon the mutual understanding and subject to the condition that the Purchaser shall pay the Issued Shares Consideration directly to Coastal.

NOW, THEREFORE, in consideration of the mutual promises, covenants, conditions, representations and warranties herein set out, the parties agree as follows:

1. REPRESENTATIONS AND WARRANTIES

1.1 The Vendor hereby represents and warrants to the Purchaser that:

(a) the Issued Shares are legally and beneficially owned by the Vendor;

(b) there are no restrictions on the transfer of the Issued Shares save for any restrictions set forth in the Regulations of Aburi.

1.2 The Purchaser hereby represents and warrants to the Vendor that:

(a) it has the capacity to enter into and perform this Agreement and all the obligations contemplated herein and that all corporate and other actions required to authorize it to enter into and perform this Agreement have been properly taken;

(b) it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and that it has the corporate power and capacity to own its assets and to enter into and perform its obligations under this Agreement;

(c) this Agreement has been duly authorized and duly executed and delivered by it and constitutes a valid and binding obligation enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies; and

(d) the execution, delivery and performance of this Agreement does not and will not contravene the provisions of its articles, by-laws, or other constating documents, or the provisions of any indenture, agreement or other instrument to which it is a party or by which it is bound.

2. PURCHASE AND SALE

2.1 The Vendor hereby transfers and sells, and the Purchaser hereby purchases, the Issued Shares with good and marketable title thereto, free and clear of all encumbrances, in consideration of (a) the payment of the nominal sum of GH¢ 1.00 (One Cedi) receipt of which sum is hereby acknowledged by the Vendor and (b) assumption of the obligation to pay of the Issued Shares Consideration to Aburi.

2.2 Forthwith upon the execution and delivery hereof:

(a) The Vendor shall deliver to the Purchaser the share certificate representing the Issued Shares, registered in the name of the Purchaser or as it may direct; and

(b) The Purchaser shall pay to Aburi the sum of GH¢100,000 being the Issued Shares Consideration.

3. **GENERAL**

3.1 The formation, interpretation, and performance of this Agreement shall be governed by the laws of Ghana.

3.2 Any terms or agreements herein which by their nature may or must be performed or occur after termination of this Agreement shall survive such termination. The representations and warranties hereof shall survive indefinitely.

3.3 This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original but all of which, taken together, shall constitute one and the same instrument.

3.4 Each of the parties hereto covenants to do all such things as may be necessary to ensure the fulfilment of the terms hereof.

In witness whereof the parties have executed this Agreement as of the date first above written.

The Vendor

1. By: [signature]
Name: ROBERT GRIFFIS

Before me: SWORN BEFORE ME THE 18TH DAY OF APRIL, 2013 MICHAEL JOHN CAMPBELL A NOTARY PUBLIC IN AND FOR THE PROVINCE OF ONTARIO

Notary Public [signature]

70 YORK ST.
SUITE 1410
TORONTO, ONTARIO
416-567-9087

COASTAL EXPLORATIONS LIMITED

By: ______________________
Name: ROBERT GRIFFIS
Title: DIRECTOR

Before me: SWORN BEFORE ME THE 18TH DAY OF APRIL, 2013
MICHAEL JOHN CAMPBELL, A NOTARY PUBLIC IN AND FOR THE PROVINCE OF ONTARIO

Notary Public ______________________
70 YORK ST.
SUITE 1410
TORONTO, ONTARIO
416-867-9087

Exhibit “L”

RESOLUTION OF THE BOARD OF DIRECTORS
OF
ABURI GOLDFIELDS (GHANA) LTD.

The following resolutions, signed by all of the directors of Aburi Goldfields (Ghana) Ltd. (the "**Corporation**"), are hereby passed pursuant to the provisions of the Ghana *Companies Code, 1963* (the "**Act**"):

APPROVAL OF AN APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT* AND OF DEBTOR-IN-POSSESSION FINANCING

WHEREAS the best interests of the Corporation would be served by the making of an application pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") to commence proceedings under the CCAA (the "**CCAA Proceedings**"), and to enter into a loan arrangement with FCMI Financial Corporation (the "**DIP Lender**") to obtain debtor-in-possession financing;

NOW THEREFORE BE IT RESOLVED THAT:

1. The recitals above are confirmed.

2. The Corporation is hereby authorized to make an application (the "**Application**") to Ontario Superior Court of Justice (the "**Court**") for an order in substantially the form attached hereto as **Schedule "A"**, with such amendments as the Court may require and/or any officer or director of the Corporation may agree to.

3. Any officer or director of the Corporation is authorized to swear an affidavit in support of the Application.

4. Any officer or director of the Corporation is authorized and directed to execute and deliver and file with any court in the name and on behalf of the Corporation and under its corporate seal or otherwise all such certificates, instruments, agreements, plans, arrangements, conveyances, bills of sale, transfers, notices, affidavits and other documents and to do all such other acts and things as in the opinion of such person may be necessary or desirable in connection with the Application and with the performance by the Corporation of its obligations thereunder.

5. The Corporation is hereby authorized to:

   (a) borrow up to $750,000 from the DIP Lender by way of the debtor-in-possession credit facility provided by the DIP Lender pursuant to the term sheet (the "**DIP Term Sheet**") among the Corporation and/or its parent company and the DIP Lender delivered on or about May 8, 2013 (such credit facility herein collectively referred to as the "**DIP Facility**") substantially in the form of the draft DIP Term Sheet attached hereto as **Schedule "B"**; and

   (b) grant to the DIP Lender all notes, instruments, agreements, guarantees and security presently held by the DIP Lender as provided for under the DIP Facility (the

"**DIP Security**"), as security for the obligations of the Corporation to the DIP Lender pursuant to the DIP Loan Agreement, in accordance with the terms thereof.

6. The DIP Facility and the DIP Security and all other notes, agreements, guarantees, security or instruments now or hereafter delivered to the DIP Lender pursuant thereto shall not be rendered invalid or unenforceable and the rights and remedies of the DIP Lender shall not be otherwise limited or impaired in any way by the pendency of the CCAA Proceedings and the declarations of insolvency made therein and shall constitute a fixed lien against the property pursuant to the terms of the DIP Facility and the DIP Security.

7. Any officer or director of the Corporation is authorized and directed to execute and deliver, in the name and on behalf of the Corporation and under its corporate seal or otherwise:

(a) the DIP Term Sheet substantially in the form of the draft DIP Loan Agreement attached hereto and to contain such other terms and conditions as the person signing the same may approve, such approval to be conclusively evidenced by his or her signature thereto;

(b) such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Loan Documents**") as may be required pursuant to the DIP Term Sheet or contemplated by the DIP Facility or as may be required by the DIP Lender pursuant to the terms thereof, in such form and containing such terms and conditions as the person signing the same may approve, such approval to be conclusively evidenced by his or her signature thereto; and

(c) such certificates, documents, agreements, applications for letters of credit, designations and instruments, including notes and drafts, as may, in the opinion of such person, be necessary or desirable to give effect to the DIP Term Sheet and to implement the intent of this resolution;

8. Any officer or director of the Corporation is authorized and directed to pay and perform, in the name and on behalf of the Corporation and under its corporate seal or otherwise all of the Corporation's indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Facility, the DIP Security and the Loan Documents as and when the same become due or are to be performed and to do all such other acts and things as may, in the opinion of such person, be necessary or desirable to give effect to the DIP Term Sheet and to implement the intent of this resolution.

DATED this 8 day of May, 2013.

Name: **Linda Antwi-Donkor**	Name: **Robert Griffis**
I have authority to bind the Corporation.	I have authority to bind the Corporation.

Name: **Tom Griffis**
I have authority to bind the Corporation.

Exhibit “M”

IN THE SUPERIOR COURT OF JUDICATURE,
IN THE HIGH COURT OF JUSTICE,
(COMMERCIAL DIVISION)
ACCRA - A.D. 2013.

SUIT No. BDC/15/13.

MINATURA BV LTD
31225, LA BAYA DRIVE SUIT 200
WESTLAKE VILLAGE CA 91362
U.S.A. ...... PLAINTIFF/RESPONDENT.

VRS.

1. COASTAL EXPLORATIONS LTD
33 AIRPORT RIDGE
TAKORADI

2. ABURI GOLDFIELDS LTD
F142/8, DADE STREET, LABONE
ACCRA ...... DEFENDANTS/APPLICANTS.

4 - 5 - 13
11 - 16

HIGH COURT, ACCRA

AFFIDAVIT IN SUPPORT OF MOTION TO DISMISS THE ACTION OR STAY PROCEEDINGS.

I, Esther Totimeh of Hansen Street, Adentan Housing Down, Accra, do hereby make oath and say as follows:

1. That I am the deponent herein and a solicitor in the firm of solicitors conducting Defendants/Applicants' (hereafter simply called "Defendants") case and have their consent and authority to depose to this affidavit for and on Defendants' behalf the facts of which unless otherwise stated are within my personal knowledge, information and belief.

2. That the facts to which I depose in the present application have come to my knowledge by reason of my having taken instructions in this matter as lawyer for the Defendants.

3. That at the hearing of this matter counsel for the Defendants will seek leave of this Honourable Court to refer to all processes filed.

4. That the Plaintiff commenced this action by serving on Defendants a Writ of Summons dated 2011, and a Statement of Claim dated 2013 and filed on April 11, 2013 for the reliefs endorsed on the writ of summons.

5. That the Defendants entered appearance on May 15, 2013 and May 8, 2013 respectively.

6. That Plaintiff's claim is based on a Shareholders Agreement dated April 27, 2012 that existed between the parties, (the **"Agreement"**), and which agreement is referred to in paragraphs 4 through to 13 of Plaintiff's statement of claim.

7. That there is: (i) a choice of law clause; (ii) a choice of litigation forum clause; and (iii) an Arbitration Agreement in clause 11.7 of the Agreement. A copy of the Agreement is exhibited hereto and marked **"Exhibit ET 1"**.

8. That although the choice of law under the Agreement is Ghana law, the appropriate forum for litigation under the Agreement is Canada pursuant to clause 11.7 (b) of the Agreement.

9. That the reason why the Parties agreed on Canada as a choice of forum was to avoid forum shopping, multiplicity of actions and avoidable expenses since the controlling and directing minds of the Parties, and also relevant witnesses in the event of a litigation are located in Canada.

10. That the reliefs sought by Plaintiff are equitable reliefs for which reason Plaintiff must have clean hands by complying with the terms of the Agreement, including the choice of forum clause and the arbitration agreement.

11. That the issues in this matter are the subject of a pending suit commenced in the law courts in Ontario (Canada) on February 12, 2013 between Plaintiff (as Defendant) and Defendants (as Co-Plaintiffs). A copy of of the writ of summons and proof of service with respect to the suit in Canada are exhibited hereto and marked **"Exhibit ET 2** and **Exhibit ET 3"** respectively.

12. That not only is the present action therefore brought in bad faith, but same is also not before the appropriate forum, and that same ought to be dismissed, or alternatively stayed pending resolution of the suit in the Canadian court.

13. That as the Parties preferred forum for litigation the Canadian court by an order dated May 9, 2013, (***paragraphs 19 and 20 of the order***), restrained persons (including the Plaintiff) from initiating or proceeding with any claim against the Defendants EXCEPT with the leave of the Canadian court or the consent of the Defendants. A copy of this Order is exhibited hereto and marked as **"Exhibit ET 4"**.

14. The Canadian court, in **paragaph 54** of its order dated May 9, 2013, respectfully sought the assistance of the Ghanaian courts and the courts of British Virgin Islands, to give effect to its order.

15. That the Plaintiff has not obtained leave from the Canadian court to continue these proceedings against Defendants nor do the Defendants consent to the continuation of the present action before this Honourable Court.

16. That in any case the Parties had agreed in clause 11.7 of the Agreement to first attempt to resolve disputes arising under the Agreement amicably failure of which the Parties may have recourse to Arbitration where the value of the claim is less than FIVE MILLION UNITED STATES DOLLARS (US$5,000,000).

17. That the value of Plaintiff's claim as evidenced in paragrapgh 14 of Plaintiff's statement of claim is less than US$5,000,000 and therefore subject to arbitration should amicable settlement fail.

18. That Plaintiff has not exhausted the remedies stated in clause 11.7 of the Agreement, so Plaintiff's action ought to be dismissed or in the alternative stayed pending arbitration.

19. That the instant action is (i) not before the appropriate forum, (ii) in bad faith, (iii) without clean hands, (iv) premature in view of clause 11.7 of the Agreement, and (v) is an abuse of the processes of this Court.

20. That Plaintiff's action therefore ought to be:

    (i) dismissed for being commenced in the wrong forum pursuant to paragraphs 6 to 12 of this Affidavit, or in the alternative;

    (ii) be stayed pending conclusion of the suit in the Canadian court pursuant to paragraphs 6-15 of this Affidavit; or

    (iii) stayed pending the exhaustion of remedies in the Arbitration Agreement pursuant to paragraphs 6, 7, 16, 17 and 18 of this Affidavit and section 7(5) of the Alternative Dispute Resolution Act, 2010 (Act 798).

21. Wherefore I swear to this affidavit in support of the motion.

SWORN TO AT ACCRA
THIS 21st DAY OF
MAY 2013.

DEPONENT

BEFORE ME

COMMISSIONER FOR OATHS
JOHN AHETOH
Commissioner For Oaths
P O BOX MP 1896
MAMPROBI—ACCRA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **GHANA GOLD CORPORATION, GHANA GOLD INC., COASTAL EXPLORATIONS**

Applicants

Court File No. CV-13-10107-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF A. THOMAS GRIFFIS
(SWORN ON May 22, 2013)

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

John T. Porter (LSUC# 23844T)
Tel: (416) 304-0778 / Email: jporter@tgf.ca

Kyla E.M. Mahar (LSUC# 44182G)
Tel: (416) 304-0594 / Email: kmahar@tgf.ca

Alana V. Shepherd (LSUC# 58436S)
Tel: 416-304-0597 / Email: ashepherd@tgf.ca

Fax: 416-304-1313

Lawyers for the Applicants