

**AGREEMENT ON AMENDMENTS AND CHANGES TO THE STABILITY  
AGREEMENT MADE BY AND BETWEEN GOVERNMENT OF MONGOLIA AND  
TSAIRT MINERAL CO., LTD. ON 13TH OF MAY, 1998**

On one side, the Minister of Finance, representing Government of Mongolia, on the other side, Tsairt Mineral Co.,Ltd (herein after called as "Company") have mutually agreed to conclude this Agreement (herein after called as "Agreement") to amend and change the Stability agreement as follows:

1. Change the paragraph "The Company will be exempted from the income tax for the first five (5) years from the commencing date of its activity and be entitled to fifty (50) percent tax relief for the following five (5) years period. For the following years, the company will pay fifteen (15) percent tax for the annual taxable income up to 100,000,000 tugriks, plus forty (40) percent for the amount which exceeds 100,000,000 tugriks." in the article 2.2 of the Stability agreement

to

**"The Company shall pay corporate income tax with fifty (50) percent tax credit as per specified in the "Corporate income tax law" effective from January 1<sup>st</sup>, 2007 for two years beginning from the date of signing of this Agreement, thereafter the Company shall pay at full rate as per specified in the law."**

2. Change the paragraph "The royalty to be paid by the Company shall be set at the rate specified in the law regulating the minerals relations effective at the date of the agreement." in the article 2.4 of the Stability agreement

to

**"The Company shall pay the royalty at (five) 5 percent as specified in the "Mineral law" effective from August 26<sup>th</sup>, 2006 beginning from the date of signing of this Agreement."**

This agreement shall be an integral part of the Stability agreement made by and between Government of Mongolia and Tsairtmineral Co., Ltd. in May 13<sup>th</sup>, 1998.

This Agreement is made on 23<sup>rd</sup> of August, 2007 in Ulaanbaatar, Capital of Mongolia, in two (2) copies each in Mongolian and English, and the copies are equal authentic.

This Agreement shall enter into force in August 23<sup>rd</sup>, 2007.

**ON BEHALF OF THE  
MONGOLIAN GOVERNMENT:**

**MINISTER OF FINANCE**



**ON BEHALF OF THE  
TSAIRT MINERAL CO., LTD.:**

**EXECUTIVE DIRECTOR**

