

LINK NATURAL RESOURCES FZC

SOMALIA

MINERALS & OIL AND GAS DEVELOPMENT AGREEMENT

WITH

GALUMUDUG STATE

B1-2304, Falcon Towers, PO Box – 21101 Ajman, UAE sammckay@euklink.com

Cel.: +971 502 615 839

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Background

- Agreement contemplates both Mineral and O&G opportunities throughout Galmudug State
- Low grade w/ very high tonnage surficial Uranium mineralization discovered in Galguduud region in late 60's (East NE from Mogadishu)
- Through to early 1980's extensive exploration advanced the project thru to feasibility on proven possible reserves up to 16,000 tons U_3O_8 over six primary occurrences (valued today at 1.3 billion USD based on current +/- US \$40/lb commodity price for U_3O_8)

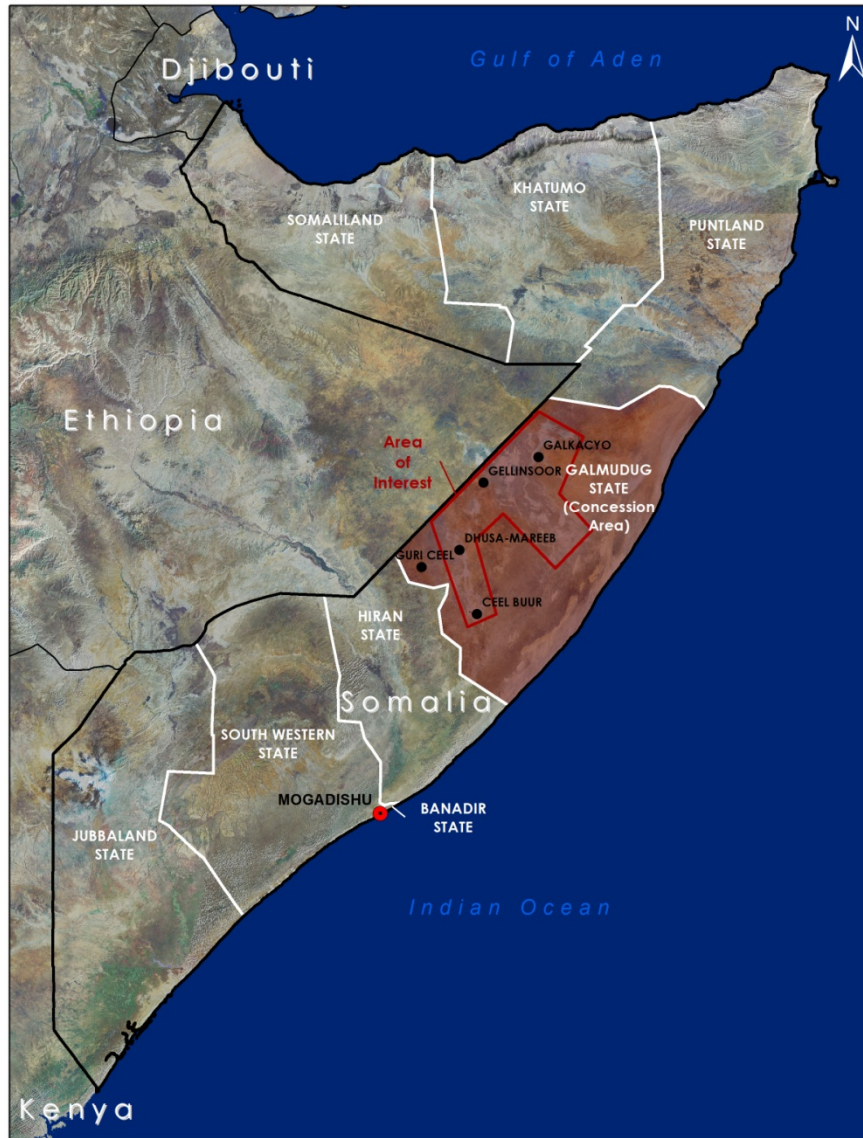
Note this above resource was derived from an area comprising no more than 15% of the known occurrence, therefore supporting a potential NPV of 8+ billion USD or even higher should the commodity return to \$75/lb levels;

Political unrest killed any possibility of further development until recent improvements and cooperation amongst local clans;

- Q3-14: LINK Natural Resources obtains LOI with Galmudug's Presidential Office contemplating exclusive rights to all Mineral & Oil & Gas development rights (see copy below).
- Q2-15: LINK completes Mineral & Oil and Gas Agreement with Galmudug's Presidential Office and now seeks financing to aggressively resume advancing the project thru to some form of initial commercial production or bulk sample in support of a farm-in or acquisition by a targeted Major (*eg: CAMECO - Canadian and world's largest western world supplier is a likely potential outcome*).

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Location Map

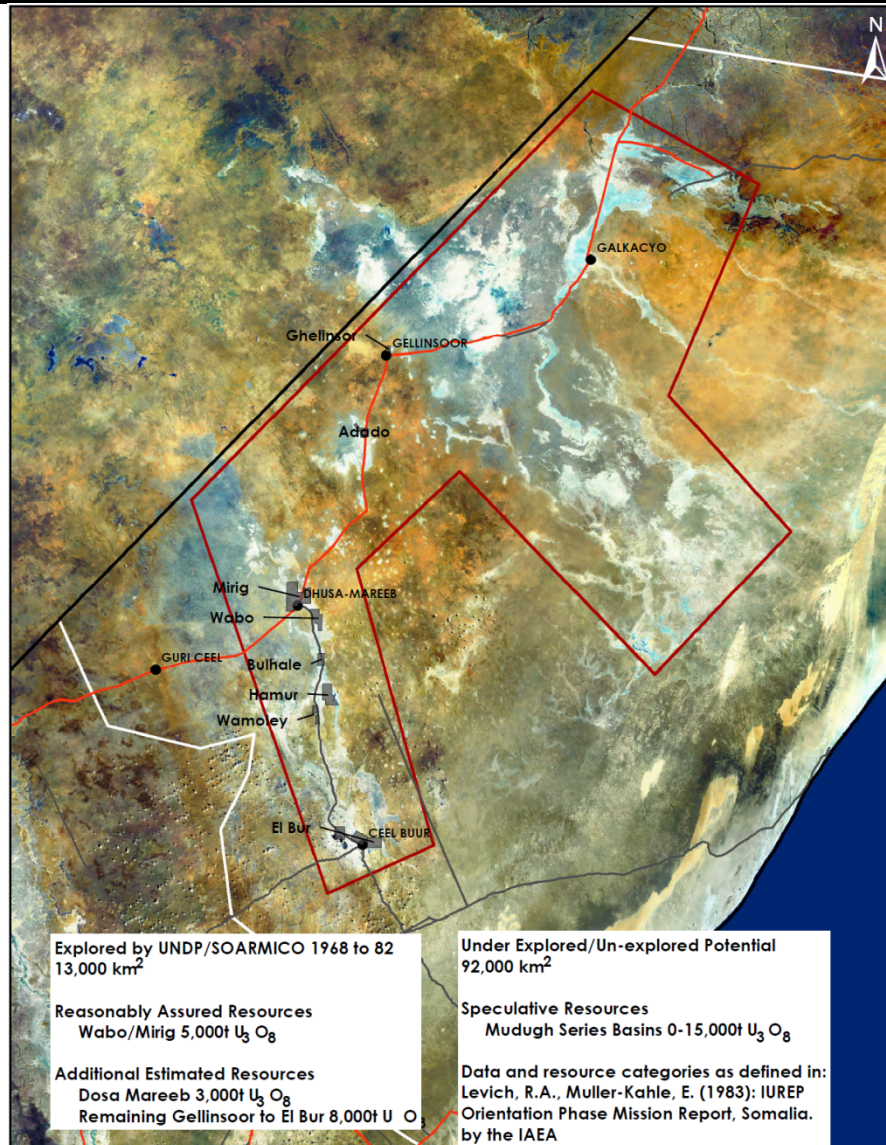


- 2006:
Galguduud & Mudug clan
areas combine to form
“Galmudug” State as an
autonomous state within the
Republic of Somalia

NOTE:
Area of interest outlined in Red

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Area Map



Earlier work carried out by numerous parties from the 1960's through to 1980's advance the project to feasibility and \$300 million USD commitment by Brazilian group to cover CAPEX of milling facilities and infrastructure

NOTE:

Area of interest outlined in Red

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Proposed 12 Month Scope /Budget

- First site visit contemplating grid type ground based geophysics and scintlometer unit (completion by week 4 for +/- \$100,000 USD)
- Abbreviated (first phase) advanced high resolution airborne gravity gradiometry, EM and Spectrometry
-Design, plan, fly & interpret w/ completion by week 16 - \$1.5 to \$3.0 million depending on 2nd phase
- Follow Up w/ extensive grid type drill testing to 10 meter depth, eg: 50 to 100 meter spacing for modern resource categories of “Measured & Indicated” & “Inferred” resources w/ completion by week 36 (est. 4 to 6.0 million USD)
- Ancillary work (eg: baseline environmental, interpretations & reporting, Management, CSR, Security, Logistics, Travel, & Corporate
(est. 2.0 million USD)
- Other consulting fees (est. 1.0 million USD)
- **Total First Year Budget at:** **12 million USD**

It is Management's contention the above scope over the next 12 months will sufficiently support a comprehensive and independent PEA (Preliminary Economic Assessment) as well as advance and or de-risk the asset for either one of the following scenarios:

- a) A decision to advance a first phase of bulk sampling (eg: up to 100,000 tonnes, subject to a signed off take agreement, or production development (eg: for a low mining rate of up to 2,000 MPTD, also subject to a signed off take agreement)
- b) A next phase to commission an independent third party "bankable" feasibility study in support of financing & commencing full scale operations at maximized production operations (eg: 25,000+ MTPD)
- c) Begin a targeted approach to securing a development partnership with any number of potential customers or SOE's that has the potential to preserve the Company's share capitalization and maximized share appreciation for the shareholders.

Additionally / also noteworthy...

The airborne survey's extreme high resolution gravity gradiometry will also serve as an excellent tool for O&G exploration to target follow up seismic acquisition.

Further airborne carried out within the indicated area of interest or concession area will most certainly enhance the value of the asset for multiple potential minerals and or securing potential farm-in interest.

Potential for Thorium is also present. High concentrations of Thorium have been observed elsewhere in the region.

Dubai:

- Sam Mckay, President & CEO, Founder (Dubai)
- Nick Jeromes, VP Corporate Development (Dubai)

Vancouver:

- Robert Findlay, COO
- Roger Macdonald, Geologist & Project Manager
- Jim Mcree, Resource Geologist
- Jody Timmis, GIS / Geophysics / Project Data Management

Advisory Board:

Dr. Abdullahi Ahmed Addou (Virginia)

Hanad Abdullahi Ahmed Addou (Dubai)

- Very strong exploration upside potential...up to +5 billion USD on Uranium alone!
- Surficial nature of the Uranium mineralization will be very amenable to lowest possible mining costs (see attached photo of a 'Surface Miner'....while also allowing for conventional processing to yellowcake (U_3O_8)
- Excellent relationships at highest levels (Presidential Office), recent election result will favour projects current path
- Seasoned Management team capable of executing on objectives
- Excellent potential for long term benefits to local communities (eg: see also www.changeheroes.ca) as well as the State as a whole (enhanced infrastructure, employment and CSR throughout Galmudug)

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Surface Miners



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LOI

Jamhuuriyadda Federaalka Soomaaliya
Dowlada Galmudug
Xafiiska Madaxwaynaha



جمهورية الصومال الفيدرالية
ولاية جلمدج
مكتب الرئيس

Galmudug State of Somalia
Office of the President

July 9, 2014

From
H.E. Abdi Hassan Awale (Qeybdiid)
President of the Federal State of Galmudug
Galkayo, Somalia

Subject: **“Intention” to grant a petroleum exploration license to Link Natural Resources (FZC)**
from the federal state of Galmudug, Somalia

The government of the federal state of Galmudug, Somalia has agreed to grant a petroleum exploration license (provided all terms and conditions are met) to Link Natural Resources (FZC), a company based in the UAE, through its signed Product Sharing Agreement (PSA). The decision has been made collectively by my cabinet of ministers and I. Also, the matter has been addressed and agreed by the federal government of Somalia through its Ministry of Petroleum.

Therefore, Link Natural Resources (FZC) will have an opportunity to be granted a petroleum exploration license for a term of thirty five (35) years in the federal state of Galmudug, Somalia. The license shall cover petroleum exploration onshore and offshore Galmudug State with a possible maximum of 18 oil blocks available to the exploration company. This license shall remain active and legal from the date signed on the PSA through to future governments in the state and country, unless proven inefficient. The official PSA will be reviewed, agreed upon and authorized by both, the state and the federal governments of Somalia.

The government of Galmudug state is well aware of the fact that the task is great, yet feels comfortable and confident in its existing partner, Link Natural Resources (FZC) and assures its full co-operation.

Link Natural Resources (FZC) must assure that the work carried out will be expedited in right earnest as per the terms mentioned on the agreed PSA, it will provide its progress reports to the concerned ministries and develop the state of Galmudug socially and economically.

The government of the federal state of Galmudug, Somalia does not wish, in any way, to endanger the interests of its citizens and will review the progress of the exploration on a consistent basis.

Yours faithfully,

H.E. Abdi Hassan Awale (Qeybdiid)
President of the federal state of Galmudug, Somalia



LINK NATURAL RESOURCES

Agreement



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Mineral & Oil and Gas Development Agreement

Between

GALMUDUG STATE OF SOMALIA

And

LINK NATURAL RESOURCES (FZC)

B1-2304, Falcon Towers, PO BOX – 21101 Ajman, UAE e-mail: sammckay@euklink.com
Tel: +97167318537 (office) Cell: +971502615839

SM HAH



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The Government of the Regional State of Galmudug, through its Government represented by H.E.
The Minister of petroleum and minerals of Galmudug State (Hereinafter referred to as "Government")

And
Link Natural Resources (FZC), a corporation represented by its CEO (hereinafter referred to as the "Operator") hereby

Witneseth:

Whereas, title to Minerals and Oil and Gas within the territory of Galmudug State is vested in the Somali Federal State of Galmudug and all rights related to the mining, exploration and exploitation of such minerals and Oil and Gas pertain exclusively to the Galmudug State.

Whereas, the Government of Galmudug State is determined to accelerate the development of the mining sector of Galmudug, and therefore desires to promote the exploration for and development and production of minerals and Oil and Gas in Galmudug State for the economic and social benefit of the Federal State of Galmudug and recognizes that capital expenditure is necessary to ensure that such minerals and Oil and Gas are economically and efficiently developed.

Whereas, the Government of Galmudug State agrees to grant the Operator the right and privilege to engage in Exploration for and Development and Production of Oil, Gas and Minerals Exclusively in all of Galmudug Area for all areas where pre-existing valid concessions are not in place in Consideration of the Undertaking by Link Natural Resources (FZC) in such Exploration, Development and Production pursuant to the terms of this agreement.

Whereas, the Operator with its Investment Partners has the financial ability, technical competence and professional skills necessary to carry out a program for the Exploration, Development and Production of such Minerals and Oil and Gas.

Whereas, in accordance with Law, The Government of Galmudug State has the power and authority to enter into this agreement, to grant the Operator "Link Natural Resources (FZC)" its investment partners a mining and Oil and Gas concession as hereinafter described and to permit Link Natural Resources to conduct the operations contemplated by this agreement.

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4.4 "RIGHT TO PURCHASE AND EXPORT"

The Operator, Link Natural Resources (FZC) and its investment partners have the right to export Minerals and Oil and Gas from such Exploration for commercial sale. Upon any such sales, the Operator shall retain for the Government of Galmudug State a percentage of the sale of such minerals in the International Market.

4.5 "CONFIDENTIAL INFORMATION"

All information exchanged between the parties in the context of this agreement shall be considered and treated as confidential information. The parties agree not to divulge such information to any other person without the prior written consent of the other party, which consent shall not be unreasonably withheld.

4.6 "ISSUANCE OF NECESSARY AUTHORISATION"

The Government undertakes and affirms that it shall issue all licenses, permits, mining titles, easements and other authorizations including but not limited to rights and titles, which are or may be necessary for the Operator to conduct operations.

4.7 "PROTECTION AGAINST NATIONALISATION OR EXPROPRIATION"

The Galmudug State Government undertakes and affirms that it shall not nationalise or expropriate:

- (a) Any Infrastructure or other property, moveable or immovable, of the Operator or its associates to the extent connected with or affecting operations.
- (b) Minerals and Oil and Gas in any form resulting from Operations.
- (c) Any Equity, shares or ownership interests of whatever nature held in or issued by the Operator.
- (d) Any Infrastructure put in place or used by the Operator in connection with operations.
- (e) Any Capital invested by the Operator or its affiliates in Galmudug State.



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The Operator shall pay to the Government of Galmudug in US Dollars a Royalty at a rate determined in the Product Sharing Agreement.

4.9 "PRODUCT SHARING AGREEMENT"

The Operator and Government of Galmudug will have the following profit sharing starting 65% for the operator and 35% for Galmudug State
After 15 years 50% for the operator and 50% for Galmudug State

4.9 "PAYMENT"

Royalties shall be paid 60 (Forty-five) days after the day as which the minerals or petroleum sold are shipped.

5.0 "SECURITY FOR GALMUDUG STATE"

As a gesture of goodwill and for the benefit of both parties it has been requested by Galmudug state that Link Natural Resources (FZC) assists with financing the required security essential to provide a conducive working environment for both parties, and to also assist with capacity building which must be mutually agreed by both parties. Link Natural Resources (FZC) will endeavor to assist where possible with the payment for this. This is however subject to Link Natural Resources (FZC) standard terms and conditions of payments.



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In Witness whereof the Parties have signed this agreement,

For
GOVERNMENT OF GALMUDUG STATE

For
LINK NATURAL RESOURCES (FZC)

Hared Al Hared
MINISTER OF PETROLEUM AND
MINERALS OF GALMUDUG STATE

MR. SAM McKAY
CEO, LINK NATURAL RESOURCES



Date 05/02/2015

Witness HANAD A.A. Addou Haddou 05/02/2015

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Now Therefore,

The Parties agree as follows:

SECTION 1 : DEFINITIONS

- 1.1 "AGREEMENT" means this agreement granting a mining and Oil and Gas concession to the Operator Link Natural Resources (FZC) and any amendments to it made pursuant to its terms.
- 1.2 "ASSOCIATES" means affiliates, shareholders, financiers and contractors (including supplies of goods and services) of the Operator, Link Natural Resources (FZC), and the directors, officers, agents and employees of the Operator, Link Natural Resources (FZC) and any of the foregoing.
- 1.3 "CONTRACT AREA" means the exploration, mining and all production area.
- 1.4 "DEVELOPMENT" means all preparation for the removal and recovery of Oil and Gas and minerals, including the construction or installation of any required equipment or any other improvements to be used for such development.
- 1.5 "EXPLORATION" means activities directed toward ascertaining the existence, location, quality, quantity or commercial value of deposits of minerals and Oil and Gas.
- 1.6 "EXPLORATION AREA" means the area mentioned.
- 1.7 "INTERNATIONAL STANDARDS" means generally accepted world mining industry standards and procedures, due allowance being made for any special circumstances.
- 1.8 "MINERALS" means a naturally occurring, non-living substance having a definite chemical composition and physical characteristics and having economic value.



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- 1.9 "OPERATIONS" means all activities and transactions conducted by or on behalf of the Operator, Link Natural Resources (FZC), with respect to under or incidental to this agreement including Exploration, Development and Production and the financing of any of the foregoing.

SECTION 2 : DEFINITIONS

- 2.0 "OPERATOR" means Link Natural Resources LLC and any other person, entity to which it may assign all or any part of its interest under this agreement.
- 2.1 "PARTY" means either the Government of Galmudug Region or the Operator, Link Natural Resources (and any permitted assignee of the Operator)

SECTION 3 : TERMS OF THE AGREEMENT

- 3.1 "ORIGINAL TERM"
The Original Term of this agreement shall commence on the Effective Date and, shall end at the 35th anniversary of the effective date.

SECTION 4 :

- 4.1 "CONCESSION LICENSE"
(a) Exploration License – by this agreement and subject to its terms, the Government Of Galmudug State hereby grants to the Operator the exclusive right and license (the Concession Exploration License) to conduct exploration for minerals and oil and Gas in all of Galmudug State.
(b) The initial term of the Concession shall be for 35 years commencing on the effective date.
- 4.2 "EXPLORATION AREA" Exploration Area shall cover the entire Galmudug State of Somalia where valid concession lease has not been previously granted. Any pre-existing concessions that are deemed invalid will subsequently become part of this agreement
- 4.3 "RETENTION AREA OF EXPLORATION"
The Operator, Link Natural Resources (FZC) may retain all or part of the exploration area by declaring the area it wishes to retain a Production Area.