

# Preliminary Draft Agreement for Gold Refinery Project

*(This is a non-binding draft for discussion and proposal purposes only. The final contract will be reviewed and signed by both parties with their legal and financial advisors.)*

This Draft Agreement is made between:

1. **Laka Gold International** (hereinafter referred to as the "Contractor/Executor"),
2. .... (hereinafter referred to as the "Client/Investor"),

Based on international commercial principles, this draft aims to outline the proposed framework for **design, procurement, installation, commissioning, and operation** of a gold refinery unit.

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## Article 1 – Introduction and Definitions

1. *Gold Refinery*: An industrial and chemical facility for refining gold to international purity standards (995–999.9).
2. *Joint Venture Company*: A company to be registered in the Client's country by both parties to execute the project transparently and legally.
3. *CAPEX (Capital Expenditure)*: Investment costs, including design, equipment procurement, shipping, installation.
4. *OPEX (Operational Expenditure)*: Operational expenses including staff, consumables, laboratory, maintenance.
5. *LBMA*: London Bullion Market Association – the internationally recognized authority for gold refinery standards.

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## Article 2 – Purpose of the Draft Agreement

The purpose of this draft is to clarify the general scope of cooperation between the Contractor and the Client, including but not limited to:

1. Initial consultation and site inspection for refinery construction.
2. Preparation of feasibility reports and refinery type selection (small, medium, large, or green refinery).
3. Basic and detailed engineering design.
4. Procurement of main and auxiliary equipment from international suppliers.
5. Installation, commissioning, and full start-up of the refinery unit.
6. Training of local staff and initial transfer of know-how.
7. Delivery of the project on a **Turn-Key** basis.

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## Article 3 – Refinery Methods

The Client may select one of the following methods, depending on technical and financial requirements:

- Chemical Refining
- Electrolytic Refining
- Thermal Refining
- Green Refining (environmentally friendly with minimal waste)

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## Article 4 – Joint Venture Registration

1. Considering the restrictions related to Iran and international sanctions, the Contractor shall not operate directly under Iranian registration.
2. For each project, a **Joint Venture Company** will be registered in the Client's country.
3. All contracts, payments, guarantees, and project operations will be executed exclusively through this Joint Venture.
4. This approach ensures **trust, financial transparency, and risk reduction** for the Investor.

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*(Part II – Obligations, Payments, Timeline, Warranties)*

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## Article 5 – Obligations of the Contractor (Laka Gold International)

The Contractor shall, within the scope of this draft:

1. Provide initial technical and financial consultancy for the Client's project.
2. Prepare feasibility studies and select the most suitable refinery model according to the Client's needs.
3. Deliver basic engineering and detailed engineering designs.

4. Procure all main and auxiliary equipment (furnaces, chemical systems, effluent treatment, assaying laboratory, utilities).
  5. Supervise and conduct the installation, testing, and commissioning of all equipment.
  6. Provide training for Client's local staff.
  7. Deliver periodic progress reports (monthly/quarterly).
  8. Guarantee refinery output purity of at least **995–999.9**, depending on the chosen technology.
  9. Apply international Health, Safety, and Environment (HSE) standards during all project stages.
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## **Article 6 – Obligations of the Client/Investor**

The Client shall:

1. Provide land or premises with legal permits for refinery construction.
  2. Register the Joint Venture Company with the Contractor in the Client's country.
  3. Ensure timely payments as per the agreed payment schedule.
  4. Assist in obtaining local permits, workforce recruitment, and logistical support.
  5. Provide access to necessary infrastructure (power, water, gas, roads).
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## **Article 7 – Costs and Payment Conditions (Indicative)**

1. **Cost Estimation:**
    - CAPEX (Design, Equipment, Shipping, Installation).
    - OPEX (Operational expenses such as training, chemicals, laboratory, maintenance).
  2. **Payment Terms (Indicative only):**
    - 10% upon signing the final contract (commitment fee).
    - 30% after design completion and delivery of flow sheets & drawings.
    - 40% upon equipment procurement and shipment.
    - 15% after installation and initial commissioning.
    - 5% after final handover and successful performance tests.
  3. All payments shall be made via the Joint Venture Company bank account.
  4. Consultancy, travel, and site-visit costs are not included in the above and will be invoiced separately (typically USD **30,000–50,000** depending on location).
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## **Article 8 – Project Timeline (Indicative)**

1. **Phase I – Consultation & Design:** 2–3 months.
2. **Phase II – Equipment Procurement:** 4–6 months.
3. **Phase III – Installation & Commissioning:** 3–4 months.

4. **Phase IV – Training & Trial Operation:** 1–2 months.



**Total expected duration: 10–15 months** (depending on refinery size and method).

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## **Article 9 – Warranties & Guarantees (Indicative)**

1. The Contractor shall ensure that all major equipment carries a **one-year manufacturer's warranty** from the date of commissioning.
  2. In case of technical failures or underperformance of purity standards, the Contractor will provide corrective measures at no additional cost.
  3. The Client shall ensure timely payments; otherwise, project suspension or delays will not be the Contractor's liability.
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# **Preliminary Draft Agreement for Gold Refinery Project**

*(Part III – Confidentiality, Legal Terms, Final Disclaimer)*

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## **Article 10 – Confidentiality**

1. Both Parties agree to keep confidential all technical, commercial, and financial information exchanged under this draft.
  2. No Party shall disclose any documents, specifications, or flow sheets to third parties without prior written consent.
  3. Confidentiality obligations remain valid for **five (5) years** after project completion.
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## **Article 11 – Force Majeure**

1. Neither Party shall be liable for failure or delay in performance due to causes beyond reasonable control, including but not limited to:
  - Natural disasters (earthquake, flood, fire).
  - War, civil unrest, embargo, sanctions.

- Strikes, labor disputes, or governmental restrictions.
  - 2. In such cases, the timeline of the project may be reasonably extended.
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## Article 12 – Governing Law & Jurisdiction

1. This draft is prepared for **international cooperation** purposes only and has **no binding legal effect**.
  2. The final binding agreement shall be drafted, reviewed, and executed under the **laws of the Client's country**, unless otherwise agreed.
  3. Any disputes under the final agreement shall be resolved by arbitration in a mutually agreed jurisdiction (e.g., Singapore, London, or Client's country).
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## Article 13 – Miscellaneous

1. All costs related to travel, site inspection, visa, and accommodation for the Contractor's team will be invoiced separately to the Client.
  2. Typical cost of international visits and consultancy ranges between **USD 30,000–50,000**, depending on location and scope.
  3. Additional services (such as LBMA certification, refinery “green” technology, or expansion to higher capacity) can be negotiated in the final agreement.
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## Article 14 – Final Disclaimer

1. This document is a **Preliminary Non-Binding Draft Agreement**.
  2. It is intended solely as a **proposal** to clarify the scope of services and methods of cooperation.
  3. It **does not create any contractual obligations** for either Party.
  4. A legally binding contract shall only be established once both Parties' legal and financial teams review, negotiate, and sign the **Final Agreement**.
  5. This draft may be downloaded, reviewed, and used as a **reference** free of charge by the Client.
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## Signatures (For Acknowledgement Only)

**Client / Investor:**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Contractor (Laka Gold International):**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**Important Note:**

By signing or returning this document, the Parties **do not enter into a binding contract**. This document is a **proposal only**, meant for mutual understanding.



**Disclaimer:**

This draft agreement is a **non-binding document** prepared solely for presentation and proposal purposes. It does not create any legal or financial obligations for either party. The final binding agreement shall be negotiated, reviewed, and signed by both parties with the assistance of their respective legal and financial advisors.

At the Client's request, Laka Gold International can prepare tailored versions of this draft for similar or related projects.

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