

23 August 2024

Hon. Jeff Blibo
Chairman
National Investment Commission (NIC)
Monrovia, Liberia

IMCC Follow Up: HPX Access & Concession Agreement

Dear Chairman Blibo

Firstly, thank you and the other members of the Inter-Ministerial Concessions Committee (IMCC) for hosting the HPX team during our recent two-week stay in Monrovia. We appreciate the responsiveness shown by your team and the efforts made to facilitate our discussions. HPX remains fully committed to its plans to invest in Liberia through the evacuation of iron ore from its Nimba Project in Guinea, and to work in partnership with the Government of Liberia for the long term development of the Liberty Corridor.

HPX recognizes the significant work undertaken by the Liberian Government to facilitate the creation of a genuine multi-user rail system that ensures fairness and accessibility for all users. We also appreciate the scale of the task ahead, particularly in ensuring that the transition toward an independent network manager can be effectively executed while navigating the existing legal commitments of the Government. There are numerous work streams including drafting legislation for the establishment of a National Rail Authority (NRA), the creation of Rail Standard Operating Principles, the initiation of a process to appoint an Independent Network Manager, and the subsequent negotiation of the Manager and Multi-user Agreements. I am personally very appreciative of the commitment shown by the IMCC to date to deliver a practical solution and I remain confident that this can be achieved quickly given the significant progress that has been made.

At our most recent meeting, HPX provided a proposed solution for how the transition to an independent network manager can occur by 2030, recognising the existing legal commitments in place, notably the ArcelorMittal (“AML”) MDA. It is pleasing to understand that the Government of Liberia has not yet made a final decision to grant AML (an existing and likely future user) the rights to manage the Yekepa to Buchanan Rail Infrastructure for a further 25 years, and that a final decision on rail management is still yet to be reached following further consultation with the President, the Ministry of Justice and other advisors.

The draft agreement HPX has submitted is intended to formalize access arrangements in a manner that does not breach the terms of the existing AML MDA while establishing a path toward an independent management structure in the future. We believe this is consistent with the public statements made by His Excellency, President Boakai as well as in previous commitments provided to HPX by the Government of Liberia.

This arrangement will ensure that HPX is able to commence its operations while all parties work together toward the larger goal of transitioning to an independently operated multi-user system. HPX

believes that since this commitment only takes effect after the expiry of the current MDA, it would not breach any terms of the existing agreement with AML.

This transition is vital to ensuring that the Liberian owned rail infrastructure functions as a national asset, independent of the commercial interests of any single mining company. The Government of Liberia is in a very strong position to negotiate agreements with all potential rail users, including both AML and HPX, that appoints an independent network manager to ensure transparency, neutrality, and operational efficiency for all users.

With an Access Agreement in place, HPX will be able to continue supporting and engaging with the Government on the details of the independent multi-user operating model from the position of an established User. HPX remains committed to being a proactive partner in the development of Liberia's multiuser infrastructure and we look forward to bringing our discussions with the IMCC to a positive conclusion. The HPX team is available to travel to Monrovia as soon as the NIC can schedule a meeting to finalise discussions on the terms of the attached draft agreement and we remain available if you or your advisers have any clarification questions.

In addition, I would like to confirm with you that HPX is prepared to provide budgetary support to the Government of Liberia for the formation and initial operations of the National Rail Authority under a structured payment arrangement to be agreed on the successful conclusion of our Access Agreement. This support is intended to demonstrate to the Government of Liberia that HPX stands ready to support the Government of Liberia to ensure that the National Rail Authority has the necessary financial resources to ensure a fair and equitable rail management system for all users under the highest of international industry standards and transparency.

Many thanks for your continued commitment to bring these matters to a swift and positive conclusion.

Best regards



Bronwyn Barnes
President and CEO