ARRANGEMENT
BETWEEN
THE GOVERNMENT
OF THE SOCIALIST REPUBLIC OF VIET NAM
AND
THE GOVERNMENT OF JAPAN
ON
COOPERATION IN DEVELOPMENT OF RARE EARTHS INDUSTRY IN THE SOCIALIST REPUBLIC OF VIET NAM

The Government of the Socialist Republic of Viet Nam and the Government of Japan (hereinafter referred to as the "two Governments");

Expressing their mutual interest in promoting cooperation between the two Governments for the development of rare earths industry in the Socialist Republic of Viet Nam in the form of joint geological investigation, human resources development, transfer of environmentally friendly technology for sustainable resources development and joint R&D program on a government-to-government basis; and

Recalling that, at the Viet Nam - Japan summit meeting on October 31, 2010, Prime Minister Nguyen Tan Dung expressed the decision to select Japan as the partner in investigation, exploration, exploitation and processing of rare earths in the Socialist Republic of Viet Nam (hereinafter referred to as the "Cooperation".);

HAVE decided as follows:

ITEM I: COOPERATION UNDER THIS ARRANGEMENT

The two Governments will cooperate with each other, to the extent possible and where appropriate, subject to the laws and regulations then in force in the respective countries, for the purpose of facilitating the smooth implementation of the Cooperation.

ITEM II: COORDINATING AGENCIES

1. For the purpose of facilitating the smooth implementation of the Cooperation, the two Governments have respectively designated the following ministries as Coordinating Agencies:

   (a) on the part of the Government of Japan, Ministry of Economy, Trade and Industry of Japan (METI); and

(b) on the part of the Government of the Socialist Republic of Viet Nam, Ministry of Industry and Trade (MOIT).

2. The Government of Japan will conduct cooperation under this Arrangement through Japan Oil, Gas and Metals National Corporation (JOGMEC) and other appropriate bodies.

ITEM III: AREAS OF COOPERATION

The two Governments will coordinate the cooperation referred to in Item I of this Arrangement, which may include the activities in the following areas:

(a) implementation of development and processing of rare earths with regard to the project in Dong Pao deposits in Lai Chau Province (hereinafter referred to as "Dong Pao deposits").

(b) joint investigation and exploration of rare earths in the Socialist Republic of Viet Nam;

(c) human resources development in exploration of resources;

(d) transfer of advanced and environmentally friendly technology for sustainable resource development;

(e) joint R&D, human resources development and technology transfer programs on separation, refining and application of rare earths;

(f) promotion of export of rare earths in the worldwide market; and

(g) supports to the improvement of the master plan of rare earths industry in the Socialist Republic of Viet Nam

ITEM IV: IMPLEMENTATION OF THE DEVELOPMENT AND PROCESSING IN DONG PAO DEPOSITS

1. The mining license and the investment license for metallurgical process of the Dong Pao project will be granted to Lai Chau VIMICO Rare Earth Joint Stock Company (LAVRECO) from the Government of the Socialist Republic of Viet Nam in accordance with the Vietnamese laws and regulations as soon as possible, and after that, LAVRECO and Japanese companies will establish the joint-venture company to develop the Dong Pao deposits and process the ore deeply as long as technologically/economically feasible.

2. The two Governments recognize that the development of Dong Pao deposits will be started from the F3 deposit, and the decision of the

development of the F7 deposit will be made based on the evaluation of the result of the cooperation.

3. The Government of Japan commits to assign only Japanese companies which commits to apply advanced and environmentally friendly technologies, based on relevant guidelines and regulations of Japan (including proper handling of Natural Occurring Radioactive Materials (hereinafter referred to as NORM) produced in the processing stages of rare earths deposits) in the exploitation and processing stages of rare earth, consistent with the policy framework in the Socialist Republic of Viet Nam and the internationally-recognized standards.

4. The two Governments will periodically monitor the progress and attempts made by the Japanese private companies and the Vietnamese partner to protect environment.

5. In case of any environmental problems arise which cannot be solved by the joint venture company, the two Governments will hold consultations to solve the problems.

6. The Government of Japan expressed its firm commitment to the sustainable mining development which includes the environmental preservation and improvement of the social welfare of the local communities.

7. The Government of Japan firmly commits to request, as appropriate, the Japanese private companies to abide by the domestic laws and regulations of the Socialist Republic of Viet Nam with regard to above mentioned 3 and 6.

8. The two Governments also reaffirm that the locations of processing facilities of rare earths and types of product will be determined based on the detailed feasibility study by the joint venture company in terms of technological/economic consideration in accordance with Viet Nam's deep ore processing policy.

9. The Government of Japan will provide financial and/or technical support for the Cooperation through JOGMEC based on the evaluation of Japanese private companies' attempts to protect environment and to improve social welfare in the Dong Pao area.

10. The two Governments welcome the Japan's ongoing ODA loan which includes the project for the roads construction and water supply system in Lai Chau Province which will contribute to improve social welfare of the localities.

11. The Government of Japan recognizes the needs to improve social welfare of the localities in Lai Chau Province. Furthermore, the Government of Japan will consider the formal request of ODA from the Government of Viet Nam taking into account of the above mentioned needs.

ITEM V: JOINT INVESTIGATION AND EXPLORATION OF RARE EARTHS IN THE SOCIALIST REPUBLIC OF VIET NAM

1. The two Governments note that cooperation for investigation of rare earths has been in progress between the Government of Japan and the Government of the Socialist Republic of Viet Nam. The two Governments will promote cooperation for investigation, exploration and/or development of other deposits of rare earths in the Social Republic of Viet Nam, taking current cooperation into account.
2. The Government of the Socialist Republic of Viet Nam will provide preferential treatment in accordance with the Mineral, Investment, Environmental Protection Laws and other relevant laws of the Socialist Republic of Viet Nam for Japanese companies which are to cooperate as a business partner in the development of rare earths.
3. The Government of Japan may provide financial and technical assistance through JOGMEC to Japanese companies which conduct investigation and exploration of the deposits as (a) partner(s) of Vietnamese companies upon their request.

ITEM VI: HUMAN RESOURCES DEVELOPMENT IN EXPLORATION OF RESOURCES

1. Human resource development program in the field of geological analysis with regard to exploration

   1.1 The Government of Japan will carry out human resources development through JOGMEC in the Socialist Republic of Viet Nam to foster experts in geological analysis using satellite image data (remote sensing). Computers and satellite image data required for the program will be provided by the two Governments and training courses will also be set up.

   1.2 The Government of the Socialist Republic of Viet Nam will provide venues for the training courses and assist their implementation through such measures as enrolling trainees widely from the government, industry and academia in the Socialist Republic of Viet Nam.

2. Training courses in geophysical and geochemical exploration in the Socialist Republic of Viet Nam.

2.1 The Government of Japan will set up training courses in geophysical and geochemical exploration through JOGMEC in the Socialist Republic of Viet Nam.

2.2 The Government of Viet Nam will provide venues for the training courses and assist their implementation through such measures as enrolling trainees widely from the government, industry and academia in the Socialist Republic of Viet Nam.

ITEM VII: TRANSFER OF ADVANCED AND ENVIRONMENTALLY FRIENDLY TECHNOLOGY FOR SUSTAINABLE RESOURCES DEVELOPMENT

1. The two Governments firmly commit to the sustainable resources development with the use of advanced and environmentally friendly technology (including proper handling of NORM produced as by-product in rare earths deposits) in terms of policy framework and technical aspects in the Socialist Republic of Viet Nam. The Government of Japan will continue to provide the training courses related to advanced and environmentally friendly technologies in mining and processing.
2. The Government of Japan will dispatch expert(s) to support development of technical guideline on proper handling of NORM to be drafted by the Government of the Socialist Republic of Viet Nam.

ITEM VIII: JOINT R&D, HUMAN RESOURCES DEVELOPMENT AND TECHNOLOGY TRANSFER PROGRAMS ON SEPARATION, REFINING AND APPLICATION OF RARE EARTHS

1. The two Governments will conduct Joint R&D, human resources development and technology transfer programs on separation, refining and application of rare earths in the Socialist Republic of Viet Nam, in cooperation with research institutes in the two countries. While the Government of Japan and Japanese research institutes will participate in the programs, Vietnamese research institutes and organizations will participate.
2. The Government of Japan firmly commits to support the Government of the Social Republic of Viet Nam for establishing Research and Technology

Transfer Centre (hereinafter referred to as RTTC) and provide major equipments necessary for the Joint R&D, human resources development and technology transfer programs, which will be procured by JOGMEC. RTTC will have the full right to manage and use those equipments. All the expenses including the above-mentioned equipments will be borne by JOGMEC. Further details about the joint R&D, human resources development and technology transfer programs will be discussed and defined by both sides.

3. On the part of Viet Nam, the Institute for Technology of Radioactive and Rare Elements (ITRRE) of the Vietnam Atomic Energy Institute under Ministry of Science and Technology is the responsible counterpart in the establishment and implementation of RTTC.

4. The Government of Japan will make all the necessary arrangements and procedures to transfer those equipments of the RTTC procured by JOGMEC to the Government of the Social Republic of Viet Nam after their depreciation or appropriate duration.

5. The two Governments will promote rare earths industry development jointly by transferring the outcome of the joint R&D program to companies and organizations in the two countries with reasonable protection of intellectual property rights of each entity participating in the Cooperation.

ITEM IX: PROMOTION OF EXPORT OF RARE EARTHS IN THE WORLDWIDE MARKET

1. Cooperation for research and development of marketing strategy on rare earths export

   1.1 The Government of Japan will provide the Government of the Socialist Republic of Viet Nam with information on user industries of rare earths and world-wide market situations to support formulation of strategy/program on rare earths export.

   1.2 The Government of the Socialist Republic of Viet Nam will promote the export of rare earths products to the world market, including that to Japan, giving adequate consideration to the importance of ensuring the sufficient supply of rare earths to Japan.

ITEM X: SUPPORTS TO THE IMPROVEMENT OF THE MASTER PLAN OF RARE EARTHS INDUSTRY IN THE SOCIALIST REPUBLIC OF VIET NAM

The Government of Japan will provide necessary support to the Government of the Socialist Republic of Viet Nam in improving the master plan of rare earths industries in the Socialist Republic of Viet Nam.

ITEM XI: MISCELLANEOUS

1. For the purpose of jointly monitoring the progress of the implementation of this Arrangement, the two Governments will hold meetings approximately twice a year. In case of requiring to organize an ad hoc meeting, both sides need to inform to each other through diplomatic channel, by giving 21 days' notice in advance in principle.
2. The two Governments will consult each other amicably on any matters regarding this Arrangement.
3. This Arrangement will come into operation from the date of signature. This Arrangement may be modified by mutual consent in writing of the two Governments. Either Government may terminate this Arrangement by giving 6 months' prior written notice to the other Government.
4. All necessary communication for the cooperation under this Arrangement will be done in English, unless the two Governments decide otherwise.

Done in Tokyo on this thirty first day of October 2011, in duplicate in the English language.

FOR THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

NGUYEN TAN DUNG
Prime Minister

FOR THE GOVERNMENT OF JAPAN

YOSHIHIKO NODA
Prime Minister