

UNOFFICIAL TRANSLATION
(translated by the Center for Human Rights and Environment – CEDHA)

*SECRET TAX AGREEMENT
BETWEEN THE GOVERNMENTS OF ARGENTINA AND CHILE
FOR BARRICK GOLD'S PASCUA LAMA PROJECT*

AGREEMENT

The competent authorities of the Agreement to avoid double taxation of the Republic of Chile and the Republic of Argentina, in context of the stipulations contained in Article 22 of the Agreement to Avoid Double Taxation on Income, Profit and Benefits and on Capital and Patrimony, Article 7 of the Treaty on Integration and Mining Complimentarity and Article 18 of the Additional Specific Protocol, have agreed to the following:

I. Indivisible Trans-boundary Services

a) Paragraph 2 of Article 18 of the Additional Specific Protocol states the following:

In the case where it is necessary to determine or clarify taxation problems related to taxes on income or profit of each Party, regarding indivisible trans-boundary services, which for due to technical or economic reasons are carried out on each side of the border, in a unique and single presentation, and which are directly related to the project, “the Administrative Commission of the Treaty” will submit to the competent authorities established by the Agreement to Avoid Double Taxation on Issues of Taxation on Income, Profit, or Benefits, and on Capital and Patrimony, with a view that they resolve the path and action and inform the “Administrative Commission of the Treaty” in the following meeting after the request has been made.

b) List of Indivisible Tran-boundary Activities or Services

Considering what is established in resolutions O-7/2004 and O-19/2009 and the collective response of the Competent Authorities to the questions formulated by the Administrative Commission in Resolution O-7/2004, in the context of the stipulations contained in Article 22 of the “Agreement of the Republic of Argentina and the Republic of Chile” to Avoid Double Taxation on Issues of Taxation on Income, Profit or Benefits and on Capital and Patrimony”, Article 7 of the “Treaty on Integration and Complimentarity of Mining between the Republic of Argentina and the Republic of Chile” and Article 18 of the Additional Specific Protocol, agree that the Indivisible Trans-boundary Activities or Services in the Pascua Lana [sic] project are those that are indicated in the following list, considering these may change as per future agreements.

1. Extractive Activities
 - a. Geology
 - b. Drilling
 - c. Sample taking
 - d. Explosives Preparations
 - e. Explosions
 - f. Transport (including cargo)¹
2. Operational and Maintenance Activities of Tunnels and Transport Belts, in the case that the belt is continuous between its point of origin in Chilean territory and its end point in Argentine Territory.
3. Maintenance and reparation of mining equipment and support equipment that takes place onsite. The mentioned mining equipment is detailed in Annex 1.
4. Maintenance of trucks and water management systems.
5. Relocation, operation and maintenance of electrical energy transmission and distribution systems, as well as transformers and equipment related to the supply of energy; computer systems related to operations and to communication;
6. All activities related to meteorology (evaluation of climatic conditions to operate in high mountain areas).
7. All activities related to environmental management (water and air quality sampling).
8. Mine closure activities in the pit and waste sites that are required by the competent technical institutions;
9. The transport service includes the loading of merchandise in conformity of the laws that regulate the transport contract in force in each Party. For greater certainty, it is established that transport services, including cargo, tribute under Article 8 of the Agreement to Avoid Double Taxation on Issues of Taxation on Income, Profit, or Benefits and on Capital or Patrimony, in force between the Parties.
10. Others:
 - a. Planning and Supervision of extractive activities at the mine
 - b. First Aid services at the mine
 - c. Industrial and Personal Security at the mine
 - d. Alimentation activities *in situ*, for workers that carry out activities at the mine

II. Taxation Treatment applicable to indivisible trans-boundary services

a) Tax on Income or Profit

When a company dedicated to mining business is established in the territory of one Party, establishes a permanent establishment in the territory of the other Party with the objective of developing a mining business, the following rules shall be applied:

¹ Transport tributes under the stipulations of Article 8 of the Agreement to Avoid Double Taxation on Issues of Income, Profit, Benefits and on Capital and Patrimony, in force between the parties.

- i) The stable establishment shall tribute based on the determined net income according the norms contained in the applicable treaties and the internal legislation of the Party where it is established, admitting the deduction of expenses and costs effectively incurred in the realization of the business activity.
- ii) The companies dedicated to mining business shall keep separate records of their income, expenses and costs attributable to activities that take place in each of the territories of the Parties.
- iii) To the effect of verifying the link with net income taxed by each country, the expenses and costs of the trans-boundary activities that cannot be assigned directly, shall be considered attributable to the activities carried out in the territory of each of the Parties in conformity to the proportion of material removed in each of the jurisdictions.

b) Value Added Tax

Purchases, rentals and imports in the territory of one of the Parties, by the company that carries out indivisible trans-boundary activities en both territories, are considered linked to the activity carried out in the territory of that Party, based on that the amount of said acquisitions in relation to the total of these, maintains a similar proportion to the relation that stems from considering the removed material in the territory of that Party, with respect to the total removed.

c) Suppliers

The preceding mentioned concepts shall also be applicable to suppliers and contractors of the companies that develop mining business or accessory activity, as per the conditions established by the competent authorities of each Party.

This section (II) is subject to the normative adjustments in Argentina, to which the mentioned Party has committed to manage.

III. Administration, Implementation and Cooperation

The authorities charged with the application and control of taxes shall resolve in conformity with applicable law, the manner to implement this agreement. To this end, the tax administration of each Party shall maintain permanent contact.

With the exception indicated in section II, this agreement shall be applied from the date of its signing, and while the Parties do not agree to anything different.

Drafted in Buenos Aires, on the twenty-eighth day of the month of April, two thousand nine, in two original authentic copies.

For the Republic of Chile

[SIGNED]

Ricardo Escobar

Director

Internal Tax Services

For the Republic of Argentina

[SIGNED]

Juan Carlos Pezoa

Secretary of Finance

Annex 1

In regards to number 3 of section 1, the mining equipment is as follows:

- a) Electric and Hydraulic Shovel
- b) Trucks (240 Ton)
- c) Frontal Loaders (cargadores frontales)
- d) Perforators (perforadoras)
- e) Tractors (topadoras)
- f) Retro-excavators (retroexcavadoras)
- g) Levelers (aplanadoras)
- h) Trucks:
 - i. Wells (aljibe)
 - ii. Crane
 - iii. Petrol
 - iv. Lubricants
 - v. Other support services