



August 24th, 2017

Gísli Gíslason, Port Director  
Faxaflóahafnir sf.  
Tryggvagata 17  
101 Reykjavík

Dear Gísli,

**Re: Termination of Agreement on allocation, Land Lease Agreement and Port Terminal Agreement**

I am writing in regards to the following agreements originally dated 22 April 2015 between Faxaflóahafnir sf. and Silicor Materials Iceland ehf. (Together the "Agreements"):

- (a) Agreement on allocation (as amended)
- (b) Land Lease Agreement (as amended)
- (c) Port Terminal Agreement (as amended)

At the outset I would like to thank you and Faxaflóahafnir for your continued support of Silicor Materials project to build a solar silicon plant at Grundartangi. As you are aware, Silicor Materials has experienced delays in closing financing of the project, and has recently decided to slow down work on the project in light of the situation.

Silicor Materials is still hopeful of building a solar silicon plant at Gundartangi, and is looking into the feasibility of building the plant in stages by starting with a smaller solar silicon plant which would require a lower amount of financing to be raised. We would like to discuss these options with you and continue the co-operation we have enjoyed over the past years; however, in light of the circumstances we believe at this stage it is appropriate to terminate the current Agreements.

Accordingly, we hereby give notice pursuant to Article 16 of the Agreement on allocation, Article 4.2 of the Land Lease Agreement and Article 17 of the Port Terminal Agreement that Silicor Materials Iceland ehf., hereby terminates the Agreements.



I would be grateful if you could confirm receipt of this letter. As mentioned above, notwithstanding the termination of the current Agreements, Silicor Materials would like to discuss with you the possibility of new agreements for developing a solar silicon plant in stages, starting with a smaller plant. My team and I will be available to meet with you at your convenience.

If you would like to discuss this letter further, please do not hesitate to contact me.

Sincerely,  
On behalf of Silicor Materials Iceland ehf.

A handwritten signature in black ink, appearing to read "Michael Russo", written in a cursive style.

Michael Russo  
CEO



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