PART 2 - SECTION 1
CONTRACT SPECIFICATION

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PART 2 CONTRACT SPECIFICATIONS

1 INTRODUCTION

This specification defines the scope of the operation and the specific items of work that are to be performed by the Contractor, sets out standards that are to be maintained for the execution of the operation and establishes those responsibilities of the Contractor and the Principal / Owner which are particular to the various types of work under the Agreement.

2 DESCRIPTION OF OPERATION

The Navachab Gold Mine currently comprises an open pit (divided into North and South zones), a pre-concentration plant ("**PCP**" and "ARGO"), CIP processing plant and necessary infrastructure to support the current open pit operation. The proposed underground operation is part of the QKR Namibia Navachab Gold Mine (the "**Principal**" or **"Owner**"), situated approximately 180 km north-west of Windhoek, Namibia's capital city and about 10 km south-west of the town of Karibib, in the Erongo Region of Namibia, see Figure 2-1. Additionally, the site layout is shown in Figure 3-1 and Figure 3-2.

A study is underway to assess the potential for a full underground operation at the mine. The Principal thus wishes to establish underground exploration development to conduct further exploration/definition diamond drilling (the "**Exploration Development**"), which may be followed by additional underground development, additional underground stoping, and/or additional exploration diamond drilling. The exploration development is intended to provide diamond drilling bays for definition drilling of the currently Inferred resources to upgrade them to an Indicated classification and thus suitable for a Feasibility Study (FS).

The exploration development is planned to target two mineralized zones; the Main Shoot (MS) and the North Shoot (NS) which occur north of the existing open pits and are not economically practical to be mined from surface. The exploration development is the first priority in the scope of work as it enables diamond drilling to take place. The underground development and exploration operation will run concurrently with the open pit. The open pit operation comprises two conjoined pits, the South Pit and the North Pit. The open pits operate 24/7 and are scheduled to continue until 2030. The pit ore is mined with a series of pushbacks. The underground exploration development will be established from a portal in each pit.

Along with the exploration development and definition drilling, the Principal desires that small zones of Indicated resources are developed and mined opportunistically as a second priority in the overall program. The stoping of these zones makes up an important component of the overall exploration funding that may allow development continuity for the long-term mine after the exploration work is complete. The contractor will therefore be required to provide a bid for a sequential range of services summarized as follows:

1. Phase 1 - Exploration development totaling 3,948 m (2,947 m of waste and 1,001 m of ore) from two portals and ramps – one in the North Pit for the North Shoot zone and one in the South pit for the Main Shoot zone;

2. Phase 1 - Diamond drilling (NQ-size) for exploration of 17,121 m with an average hole length of 210 m;

3. Phase 1 - Stope grade control diamond drilling to define stope shapes totaling 2 319;

4. Phase 2 - One (1) Surface bored ventilation raise to assist with the underground ventilation for a total of 170 m;

5. Phase 2 - Stoping (using a sublevel open stoping method);

6. Phase 2 - Continued development;

7. Phase 2 - Exploration drilling of the Main Shoot;

8. Phase 2 - Raise Bored ventilation connection of North Shoot and Main Shoot ;and

9. Phase 2 - Series of interconnected exhaust drop raises.

Note that it is asked that the bidders provide two submissions to the RFP (Phase 1 and Phase 2, a continuation of Phase 1). It is asked that the development totals be considered as two separate phases, and two separate contract BOQs from which the Principal will choose to proceed with one option or the other. The submissions are to be broken into two distinct phases separated by a 3-month period where the principal will complete a Feasibility Study, Bill Of Quantities to price and execute are reported in Table 2-1:

Table 2-1: Scopes of Work for Phase 1 and Phase 2

	Unit	Phase 1	Phase 2	5 Yr Total
Main Shoot - Decline Development	meters	1 084	3 049	4 133
Main Shoot - Access Development	meters	0	758	758
Main Shoot - Exploration Platform Development	meters	67	89	156
Main Shoot - Remuck Development	meters	135	454	589
Main Shoot - Sump Development	meters	0	117	117
Main Shoot - Ventilation Drive Development	meters	0	978	978
Main Shoot - Ore Drive Development	meters	0	4 633	4 633
North Shoot - Decline Development	meters	888	1 042	1 930
North Shoot - Access Development	meters	565	469	1,034
North Shoot - Exploration Platform Development	meters	20	0	20
North Shoot - Remuck Development	meters	135	193	329
North Shoot - Sump Development	meters	20	34	54
North Shoot - Ventilation Drive Development	meters	32	274	306
North Shoot - Ore Drive Development	meters	1 001	1 773	2 774
Main Shoot - Exploration Diamond Drilling	meters	14 241	38 080	52 321
North Shoot - Exploration Diamond Drilling	meters	2 880	0	2 880
Main Shoot - Grade Control Drilling	meters	0	0	0
North Shoot - Grade Control Drilling	meters	2 319	0	2 319
Main Shoot - Production Stoping	tonnes	0	811 711	811 711
North Shoot - Production Stoping	tonnes	0	1 107 533	1 107 533
Main Shoot - Ventilation Raise Bore	meters	0	307	307

	Unit	Phase 1	Phase 2	5 Yr Total
North Shoot - Ventilation Raise Bore	meters	170	0	170
Main Shoot - Exhaust Drop Raise	meters	0	232	232
North Shoot - Exhaust Drop Raise	meters	0	162	162

The Agreement may be extended at the discretion of the Principal both in terms of duration, rates of ore production, and total quantities, to include additional bulk mining, ramp, raise or lateral development. If both parties are agreeable the contract may be appended for an additional agreed upon time/excavation volume/mined ounces.

Ore will be hauled to nominated Run-of-Mine ("**ROM**") ore stockpiles on the 950 m bench in the South Pit and on the 1040 m bench in the North Pit adjacent to the portals. Development waste will be directed to a designated waste rock dump also on the 950 m bench. The contractor may be required to haul ore and waste to designated stockpiles circa 6 km round trip from the portal.

Figure 2-1: Navachab Mine Location in Namibia



3 SCOPE OF OPERATION

The Contractor shall provide all construction plant, mobile mining equipment, facilities, services, materials, supplies, labour (including technical underground mining professionals and administration staff), sufficient and competent supervision and shall do or provide any other thing required to carry out the scope of work. The scope of work under the Agreement shall include the following:

a) Mobilization;

b) Provide and maintain mobile equipment and construction plant;

c) Mining and transporting of ore to the ROM ore stockpiles;

d) Mining and transporting development waste to the designated waste rock dump;

e) Grade control drilling campaigns for stoping;

f) Ore development and production grade control;

g) Dewatering of the exploration development to the bottom of the pit as directed by the Principal;

h) The provision of surface drains around the portals;

i) Protection of two (2) final portal walls, blasting and preservation of portal stability;

j) The control of storm water occurrences around the portal to prevent ingress of water into the underground operation;

k) Maintenance of all underground roads as used by the Contractor;

l) Provision of all staffing requirements and including all statutory personal protective equipment ("PPE") for execution of the Operation;

m) Provision of all other movable facilities, excluding the building and fixed infrastructure, required for housing all Contractor employees employed by the Contractor for the Operation. The Contractor shall not permit its employees to create any informal or squatter settlement on or adjacent to the Mine;

n) Design, construction and maintenance of facilities on surface as described in Section 6 (*Facilities to be Provided by the Contractor*);

o) Mining Technical Services to support production and development activities such as underground mine surveying (including surveys of open stope voids using cavity monitoring systems or similar, long hole drilling markup and development markup using wall lasers or similar), mining engineering for long hole drill and blast design and short-term / day-to-day planning, ventilation, underground production geology, including direction and instructions for development ore drives under geological control and sampling, geological mapping, reporting

and grade control of development headings and ore production; and

p) Provision of all facilities, and personnel for the electrical power distribution network from the portal area, its operation and maintenance to support the ongoing underground mine development and exploration of the underground operations from the portal inwards. The contractor must employ appropriately trained Electrical Engineers and Technicians to design the underground electrical power distribution systems that follow current electrical safety standards for the jurisdiction. If not available locally similar South African or others best practice standards may be used with the approval of the Owner.

Figure 3-1: Overall Site Layout

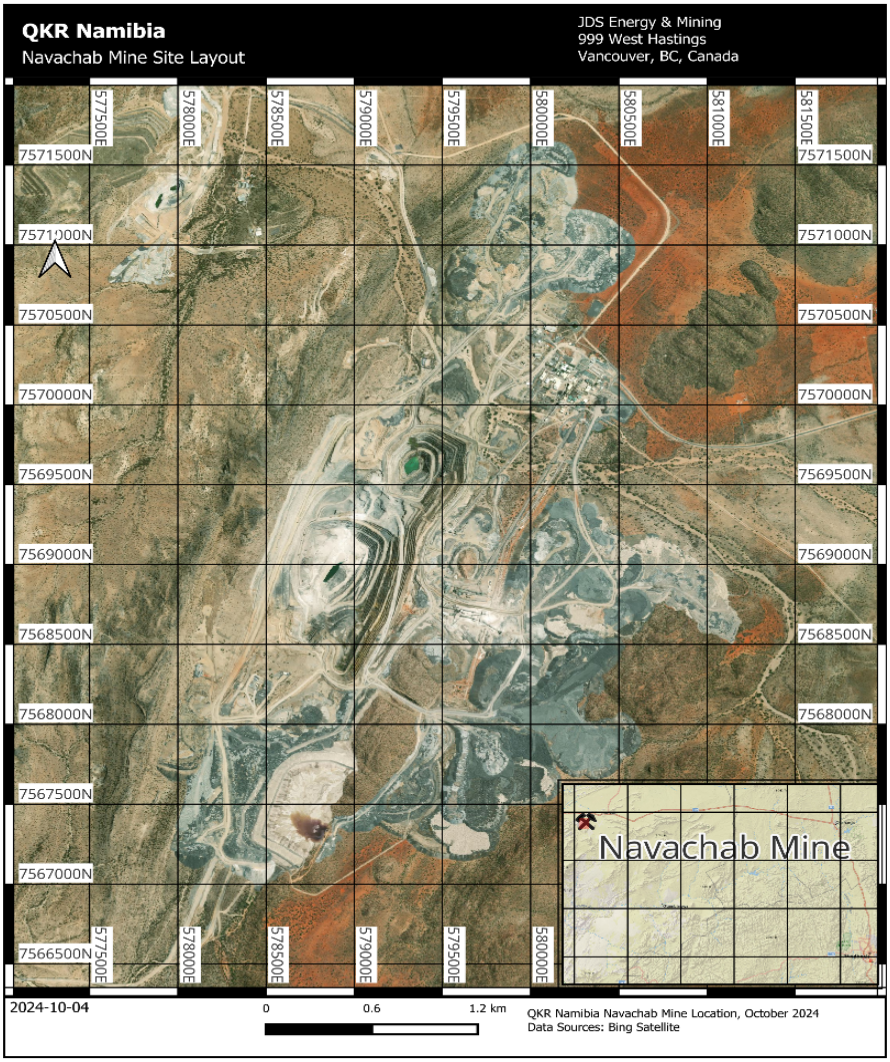
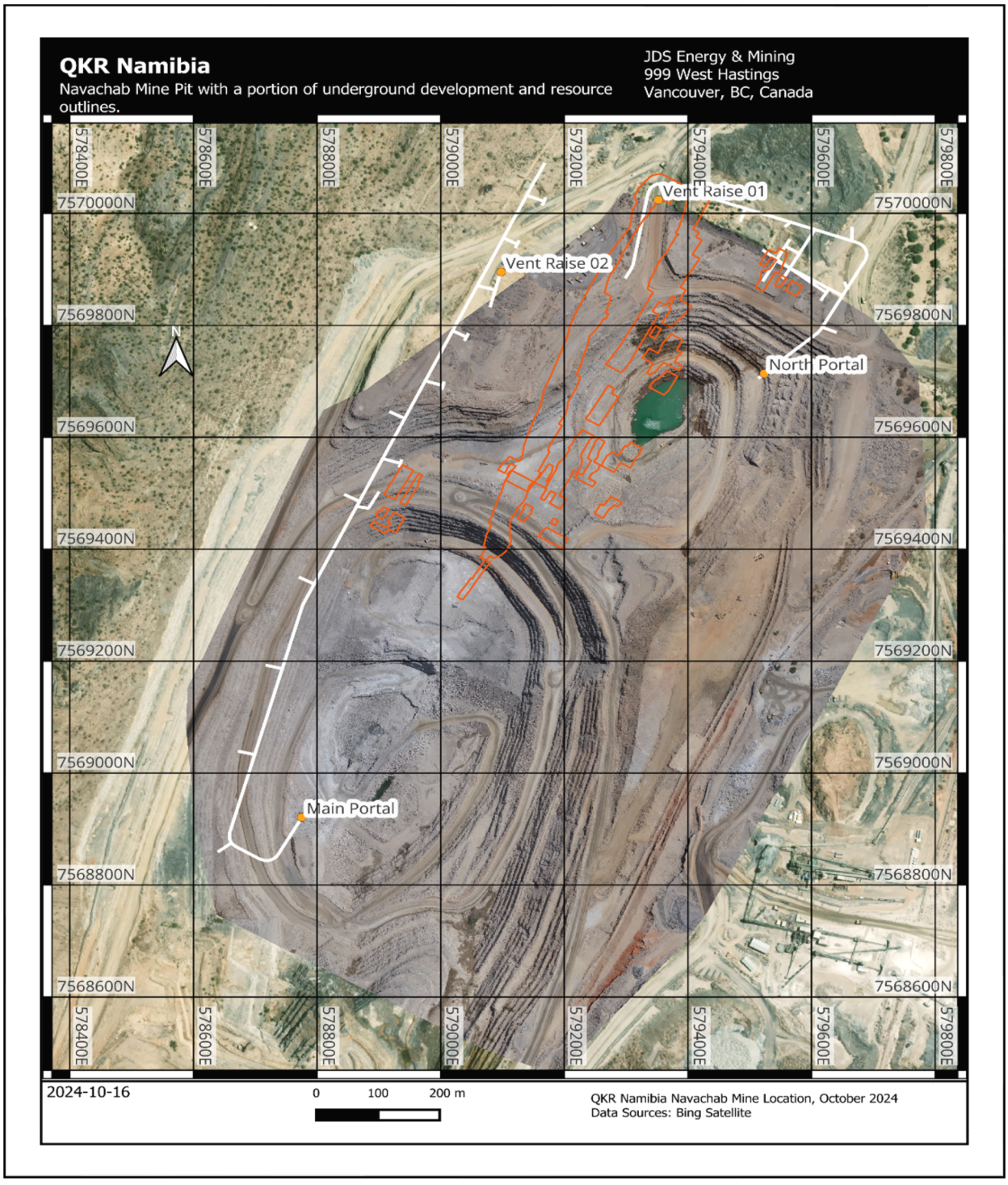


Figure 3-2: Plan View Showing Pit Layout and Partial Underground Exploration Development with Underground Resources



3.1 Underground Exploration Program

A summary of the main elements of the scope of work are explained in this section. It must be understood that the QKR Navachab mine has no UG mining expertise, therefore, the Contractor is expected to provide a turn-key solution for the scope of work. The Principal will only provide bulk power and water to the portal areas and some other surface infrastructure including camp buildings, access roads and main explosive magazine. See Table of Responsibilities for more detail.

3.1.1 Underground Access Development

Phase 1 of the Underground Exploration Development focuses on developing access to drill stations for exploratory diamond drilling. Two portals will be established allowing access to the development declines. The Main Shoot Decline and North Shoot Decline. Both portals are located within the existing and operating Navachab Gold Mine Open Pit. The development is expected to use modern trackless mobile equipment. Once excavated diamond drilling will commence to provide core for assay analysis of the in-situ resources. The contract period is anticipated to be five (5) years total to leverage better pricing. Phase 1 is expected to be completed in two (2) years, the options Phase 2 lasting three (3) years or less subject to mining rates achieved. The Phase 1 underground exploration development is the first and top priority stage and involves the establishment of two portals and infrastructure to support UG development using mechanized trackless equipment exploration and grade control diamond drilling and long hole stoping drill and blast operations.

For exploration development to the MC deposit, a portal will be established on the 950 m elevation bench collaring in the highwall of the South Pit. This Main Shoot decline will be driven from the portal in the pit wall to the north with a planned length of 4133 m (Phase 1:1084 m, Phase 2: 3049 m) plus 1839 m (Phase 1: 202 m, Phase 2: 1 637 m) of ancillary development including drill bays, safety bays, stockpile stations, ventilation drives and sumps. See Figure 3-3 for the Main Shoot decline layout.

For exploration of the North Shoot Decline a new portal, the portal is planned for the 1040 m bench in the North pit. See Figure 3-4 for the North decline general design. The North Shoot decline will be driven with a planned length of 1930 m (Phase 1: 888 m, Phase 2:1930 m) plus 709 m (Phase 1:207 m, Phase 2: 502 m) of ancillary development including drill bays, safety bays, re-muck bays, stockpile stations and sumps. Table 3-1 shows the breakdown of decline and ancillary development by Phase.

Both declines will have an average overall gradient of -14% and will have a size of 5.5 m W x 5.8 m H.

While driving the exploration declines is the priority, secondary faces may be mined opportunistically to access preliminary stoping areas to maintain high Contractor efficiencies. An overview of Phase 1 is shown in plan view in Figure 3-6. The completed Phase 1 and Phase 2 is shown in Figure 3-6.

Table 3-1: Decline Development Overview

	Unit	Phase 1	Phase 2	5 Yr Total
Main Shoot - Decline Development	meters	1 084	3 049	4 133
Main Shoot - Ancillary Development	meters	202	1 637	1 839
North Shoot - Decline Development	meters	888	1 042	1 930
North Shoot - Ancillary Development	meters	207	502	709

Figure 3-3: Isometric View of the Phase 1 Development and Diamond Drilling

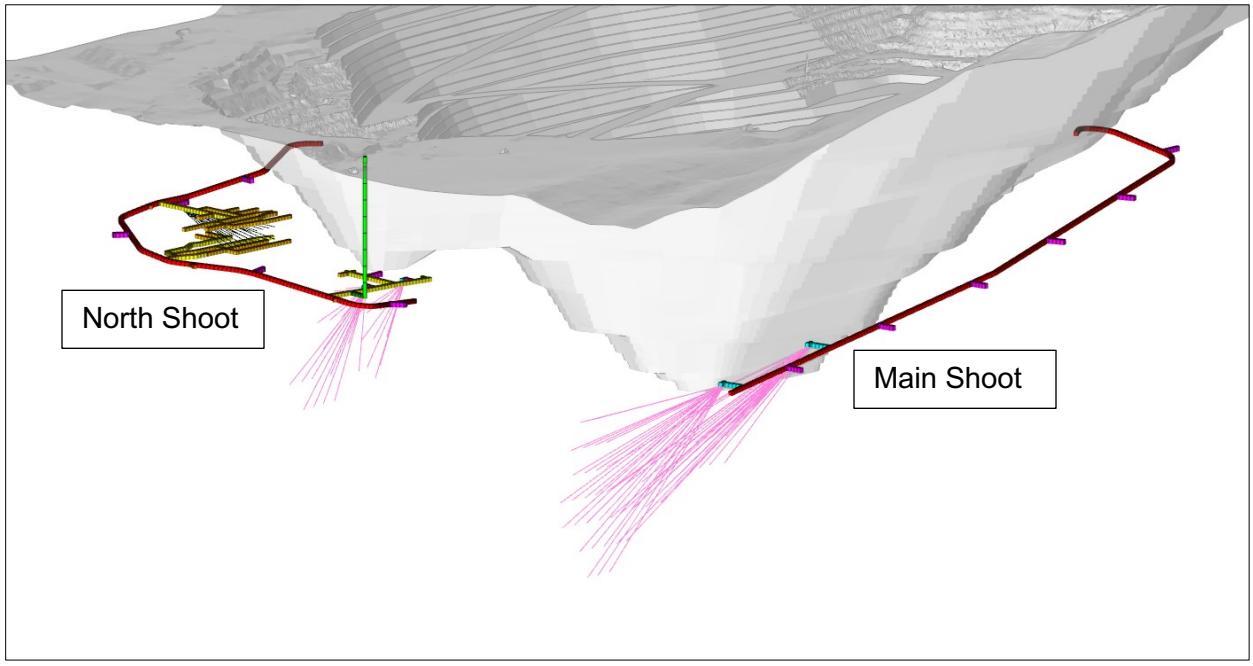


Figure 3-4: Isometric View of the North Shoot 5 Yr Development

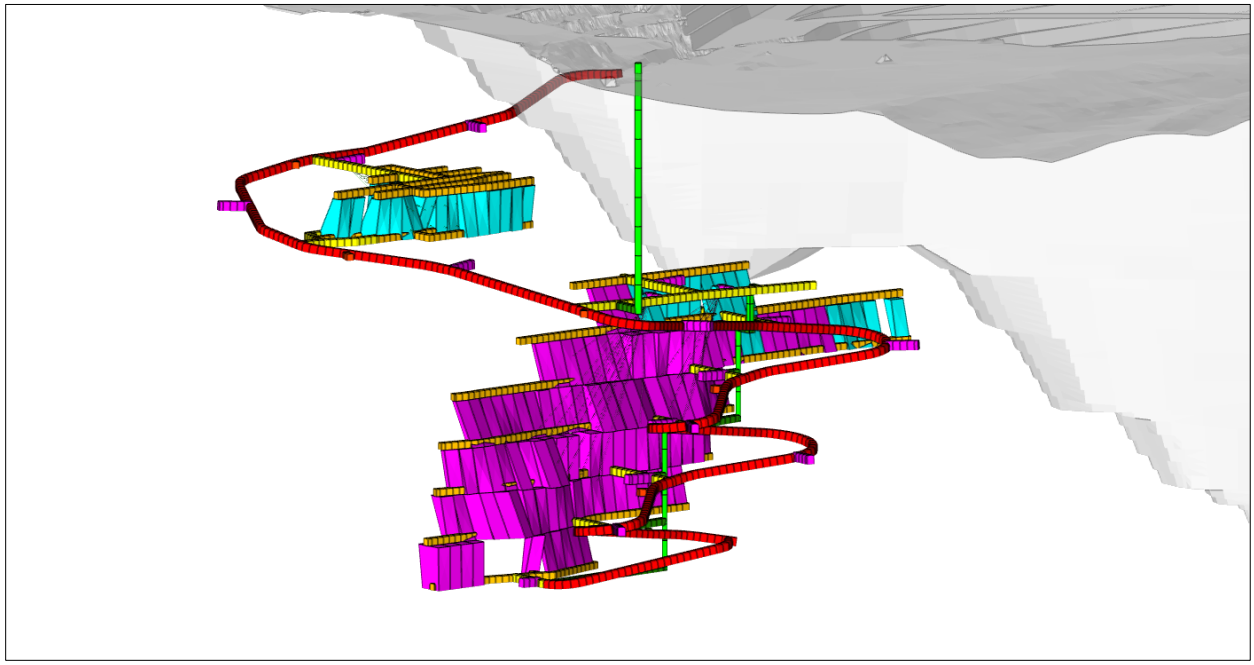


Figure 3-5: Isometric View of the Main Shoot 5 Yr Development

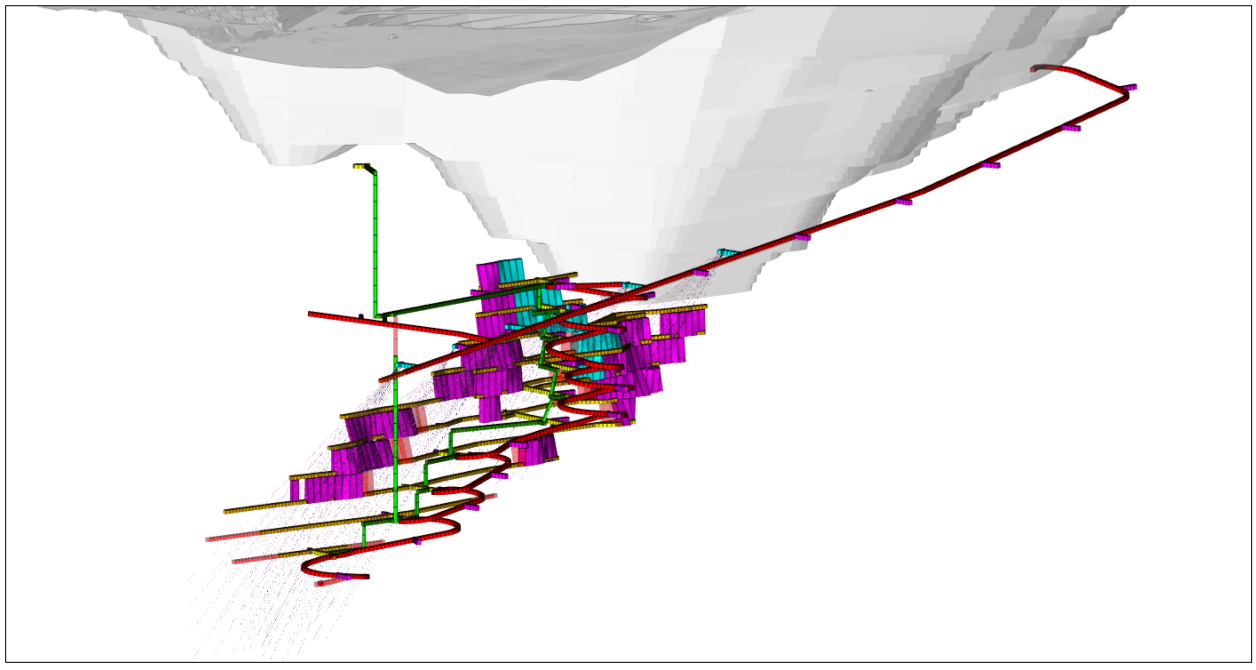


Figure 3-6: Plan View of Main and North Shoot Development for 5 Year Contract

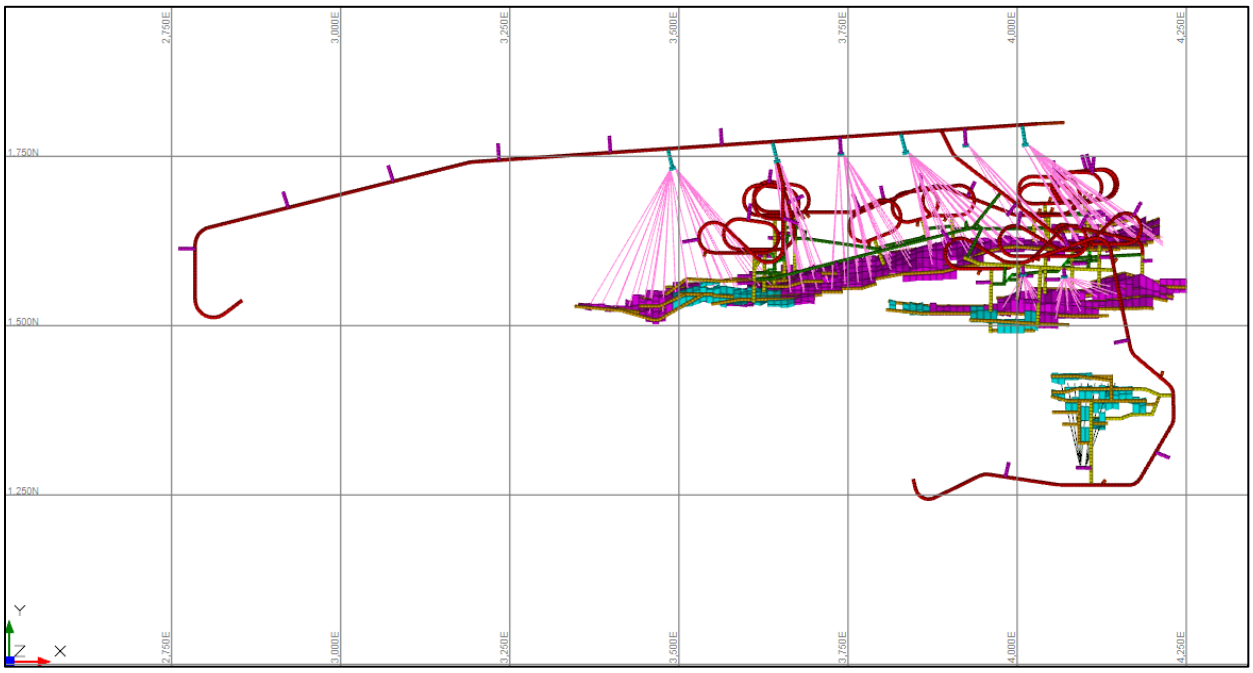
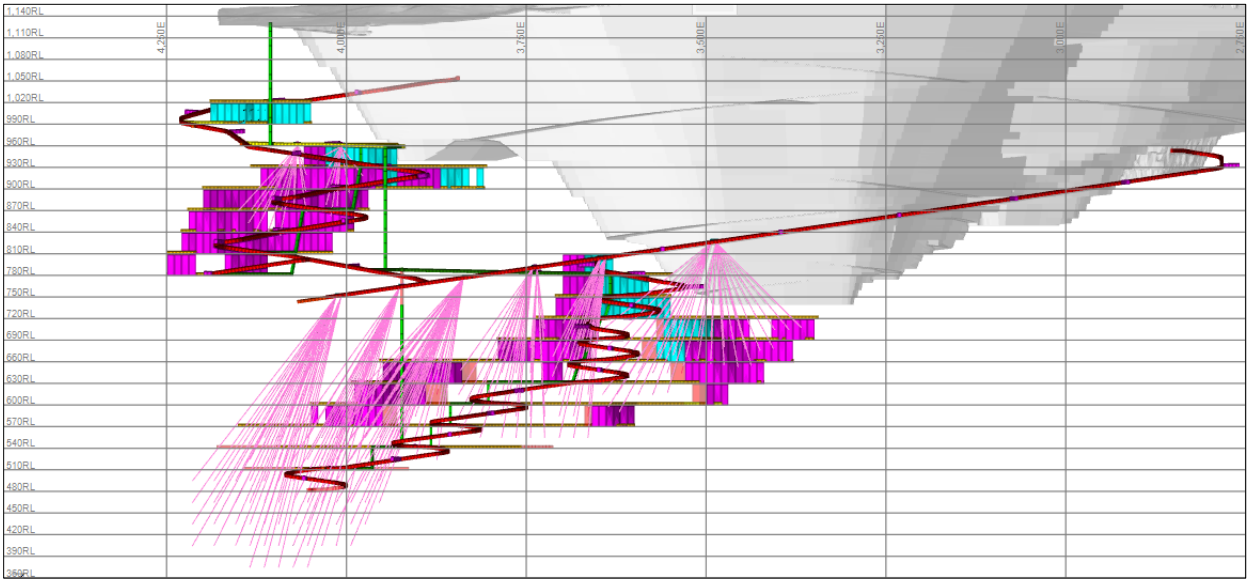


Figure 3-7: Long Section View of the 5 Year Underground Exploration Development Excavation Models and Planned Diamond Drilling



3.1.2 Exploration Diamond Drilling

Exploration diamond drilling in Phase 1 will encompass a total of ±17,000 diamond drilling meters; ±14 000 m targeting the MC deposit and ±3 000 m in the North Shoot deposit. The core size will be NQ. The holes have various dips and have an average length of 210 m with a range in length from 150 m to 300 m.

The drilling schedule assumes drilling will commence immediately after drill bays are established and decline development is far enough away from the diamond drills to not impact their safe, efficient operation. Drilling will, however, need to pause for decline blasting. Multiple drill rigs (up to three) are envisioned to be operating concurrently as locations become available. Each drill bay will be used for a up to 17 holes per exploration drift as depicted in Figure 3-7.

The Contractor will be responsible for all UG drilling-related activities up to the core hand-over point at the exploration camp, about 3 km away from the portals. Table 3-2 shows the breakdown of drill meters by Phase. Figure 3-8 shows the diamond drill meters associated with Phase 1. Figure 3-9, shows that currently, no diamond drill meters are planned for Phase 2.

Table 3-2: Overview of Diamond Drill Meters by Phase

	Unit	Phase 1	Phase 2	5 Yr Total
Main Shoot - Exploration Diamond Drilling	meters	14 241	38 080	52 321
Main Shoot - Exploration Diamond Drilling Quantity	No.	53	120	173
North Shoot - Exploration Diamond Drilling	meters	2 865	-	2 865
North Shoot - Exploration Diamond Drilling Quantity	No.	28	-	28

Figure 3-8: Isometric View Main Shoot and North Shoot Drill Hole Traces for Phase 1 Drill Programs

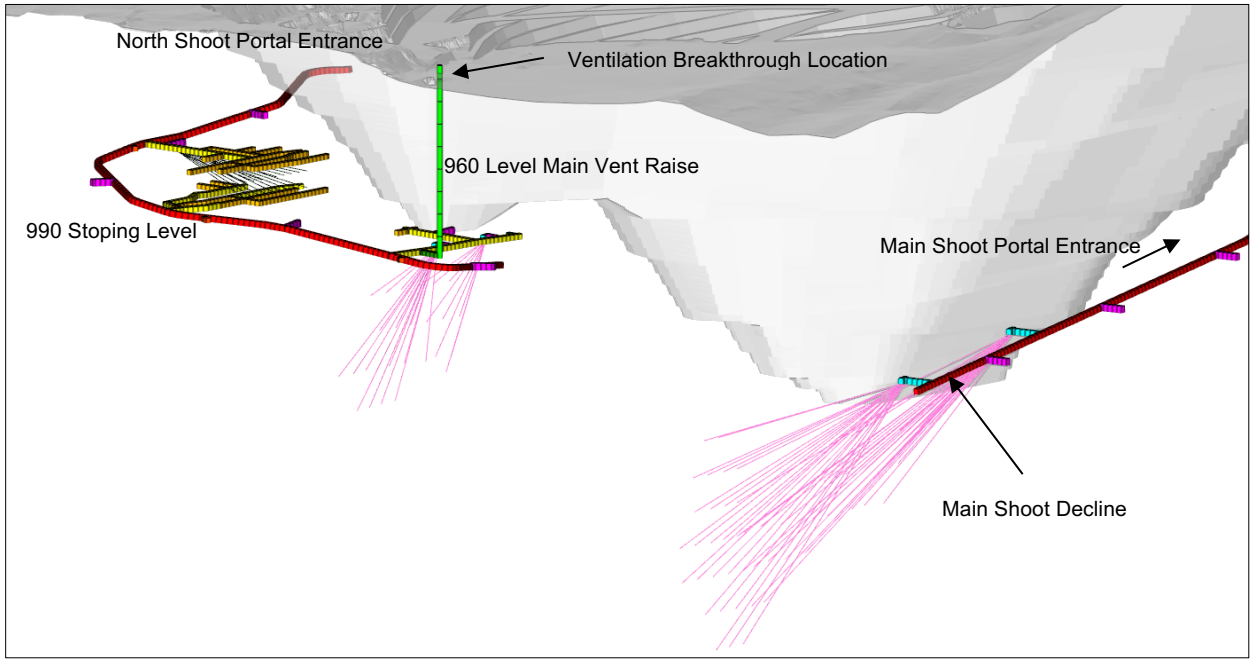
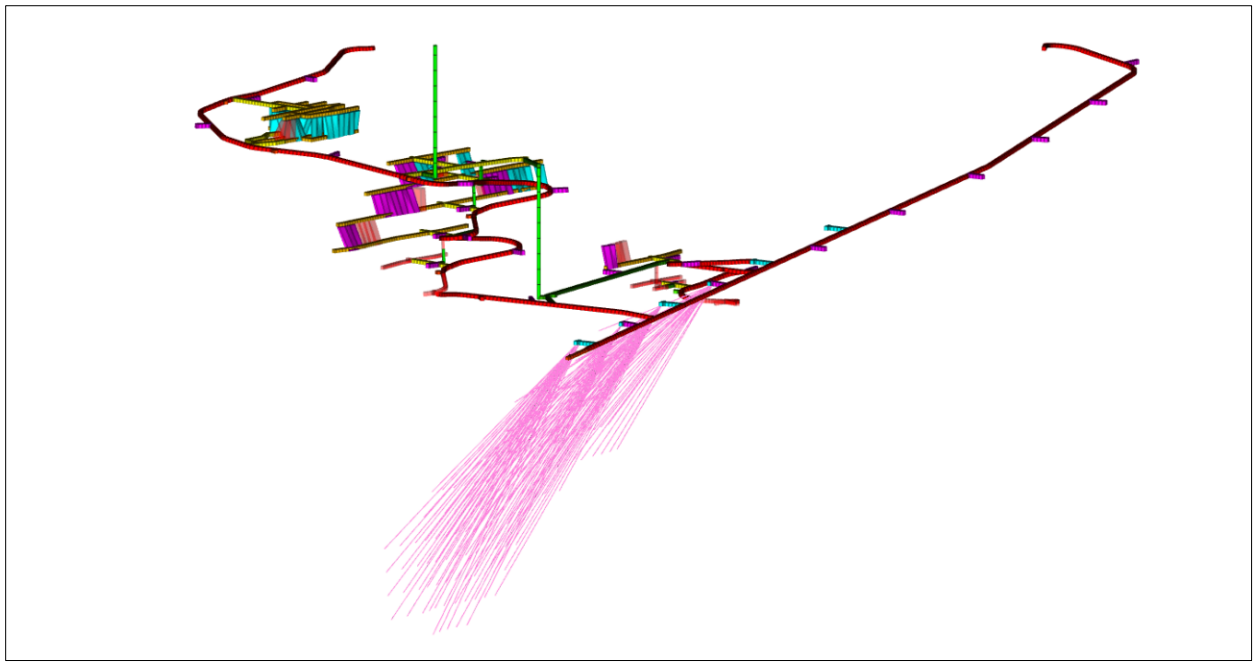


Figure 3-9: Isometric View Main and North Shoot Showing Phase 2 Drilling



3.1.3 Stope Development

Stope development includes the access x-cuts from the exploration ramp and drifts along-strike used for drilling and extraction. It is envisioned that sublevel spacing will be 25 m from the back of the lower sill to the floor of the upper sill.

Access x-cuts from the decline to the sublevels may vary in gradient from –15% to +15%. Access x-cuts will be in waste and will be on survey control.

Sublevel drifts will generally be in ore and will be on survey control for grade (+2%) and geology control for line. The height of the sills will be a minimum of 5 m, and the width is planned to be 5 m wide but will be variable depending on geology. Long hole drilling and stope mucking will be conducted from the sublevel drifts, generally retreating toward the middle of the mining zone and the ramp access x-cut.

A total of 9,199 m of stope development is planned as outlined in Table 3-3 and shown in Figure 3-10 through Figure 3-14.

Table 3-3: Stope Development Overview

	Unit	Phase 1	Phase 2	Total
Main Shoot - Access	meters	-	758	758
Main Shoot - Ore Drive	meters	-	4 633	4 633
North Shoot - Access	meters	565	469	1 034
North Shoot - Ore Drive	meters	1 001	1 773	2 774

Figure 3-10: Underground Exploration Stoping Elevation View 990 m Sub Level North Shoot

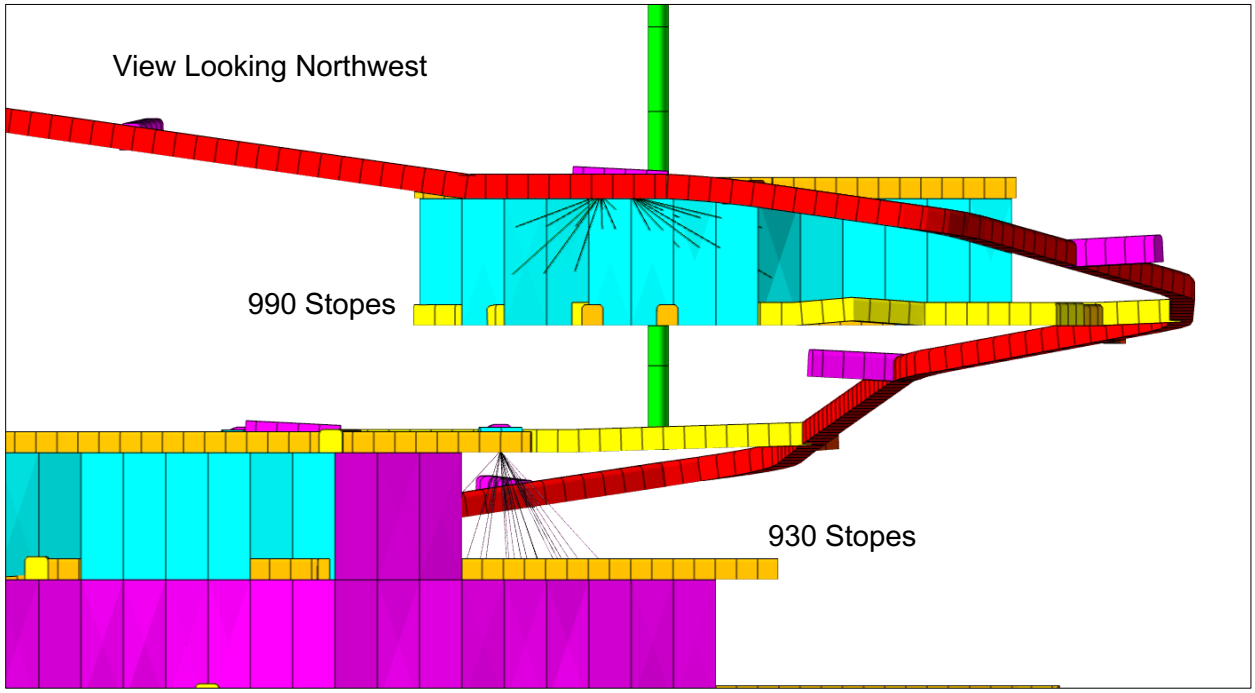


Figure 3-11: Oblique View of Planned Development and Stoping, 990 m Sub Level – North Shoot

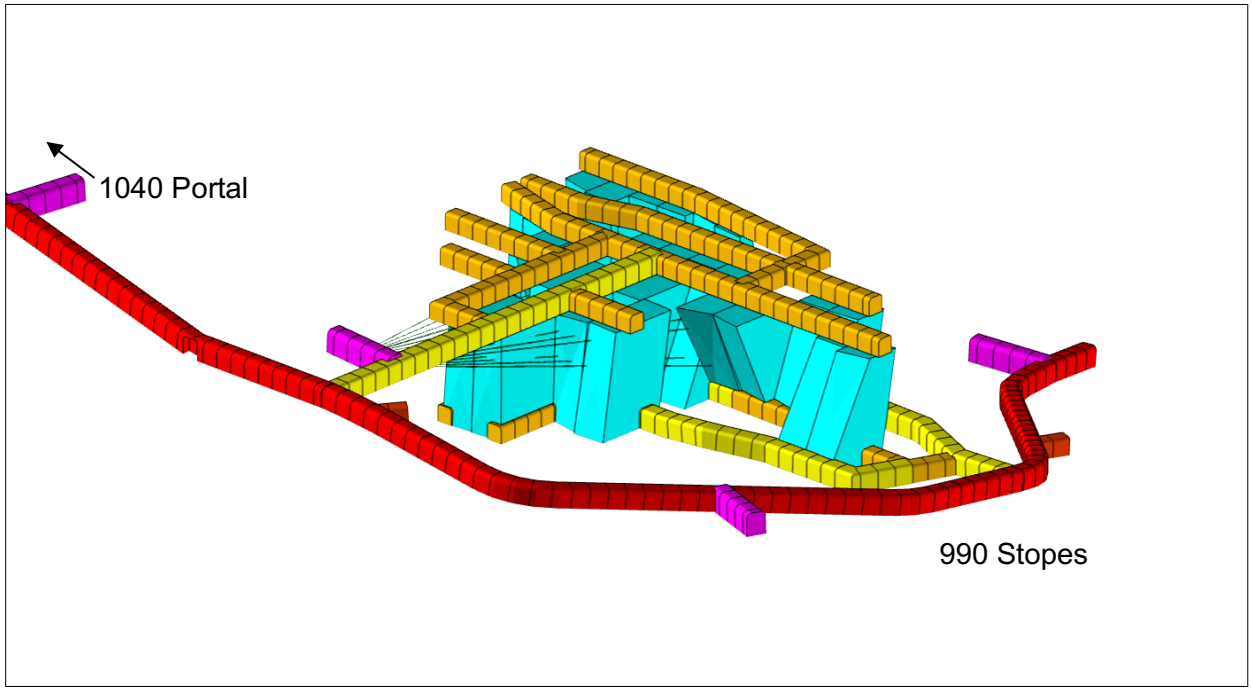


Figure 3-12: Isometric View of 780 m though 930 m Elevation Stopes North Shoot

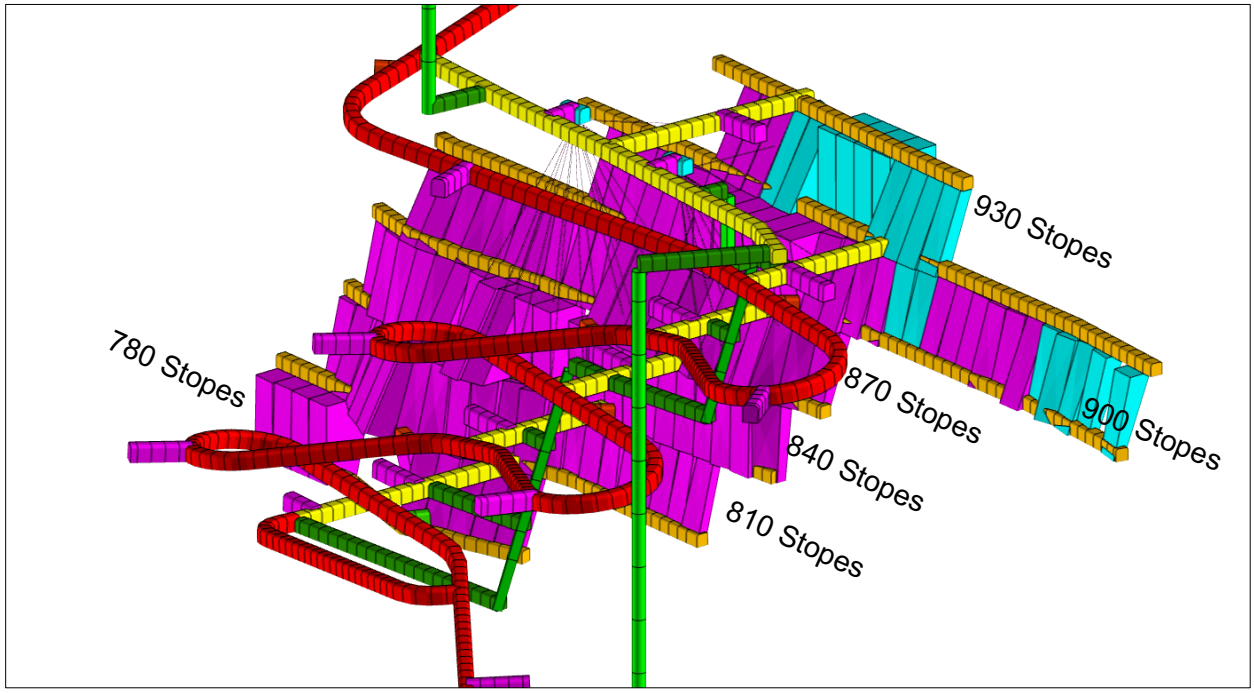


Figure 3-13: Long Section View of 570 m through 780 m Stopes Main Shoot

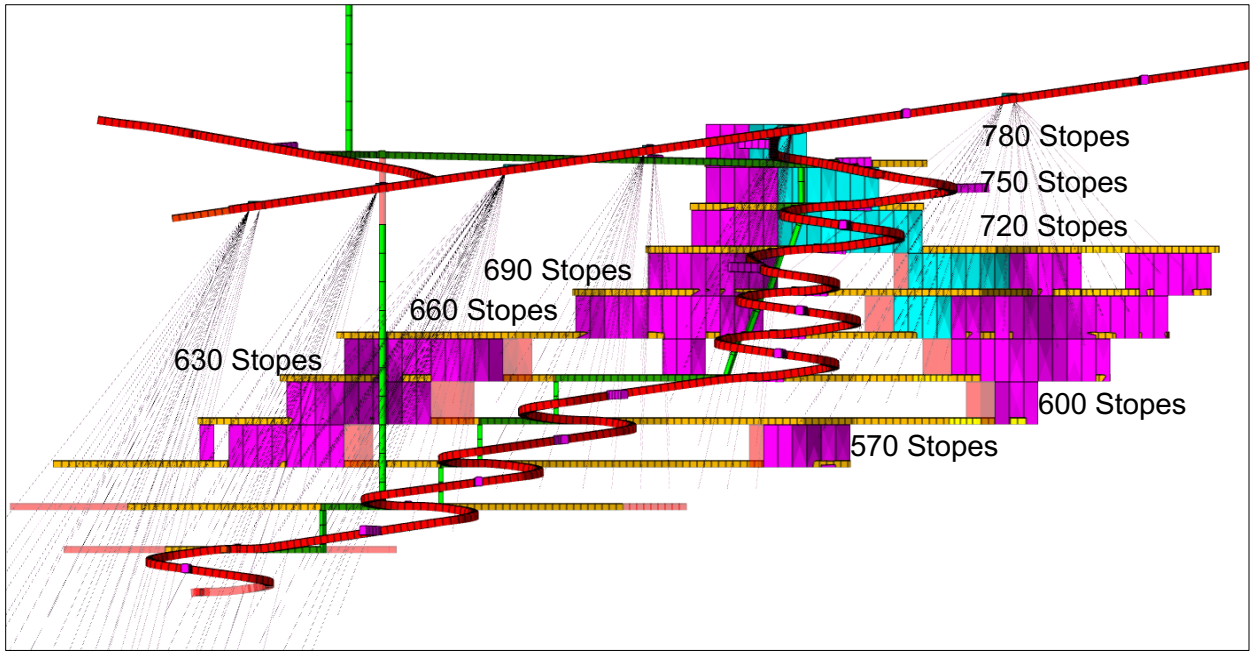
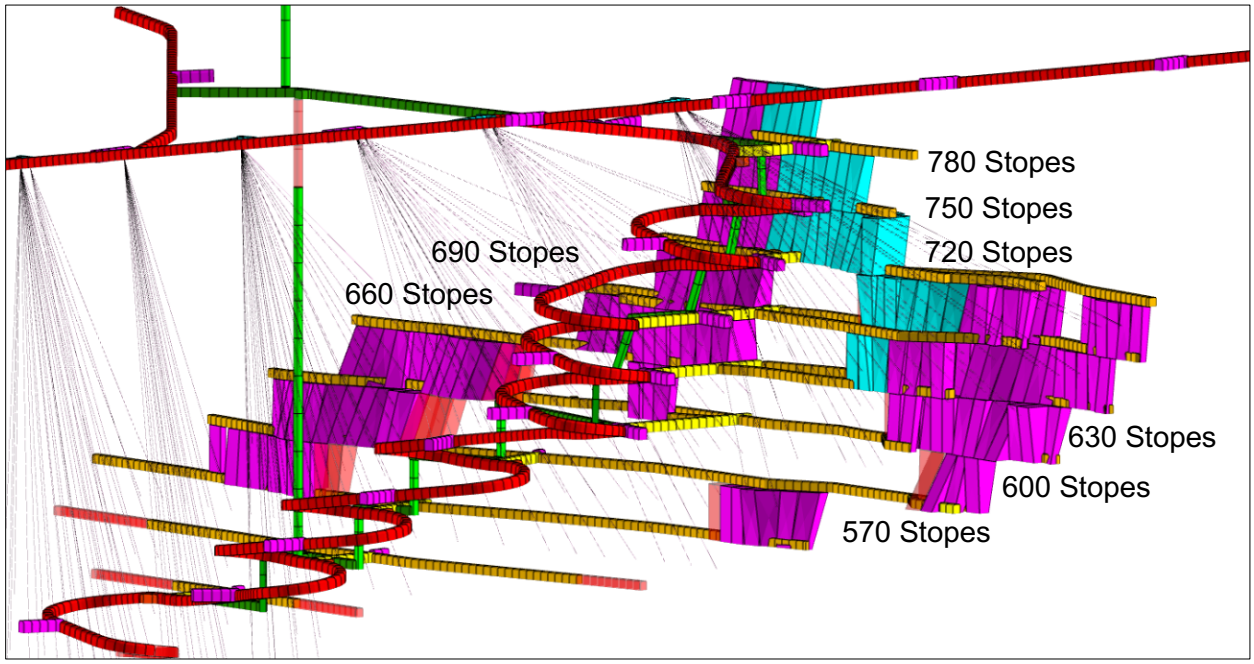


Figure 3-14: Isometric View of all Mining Stopes within Phase 2 from 570 m through 780 m Stopes Main Shoot



3.1.4 Stope Grade Control Drilling

Grade control drilling is planned to be done to provide sufficient geologic information to plan stope drilling and blasting with maximum extraction and minimum dilution.

Holes will be targeted for the middle of the stopes between the sublevels at a pierce-point spacing of roughly 10-15 m. Grade control drilling will be done to produce NQ-diameter core and must be handled in a similar manner to exploration core.

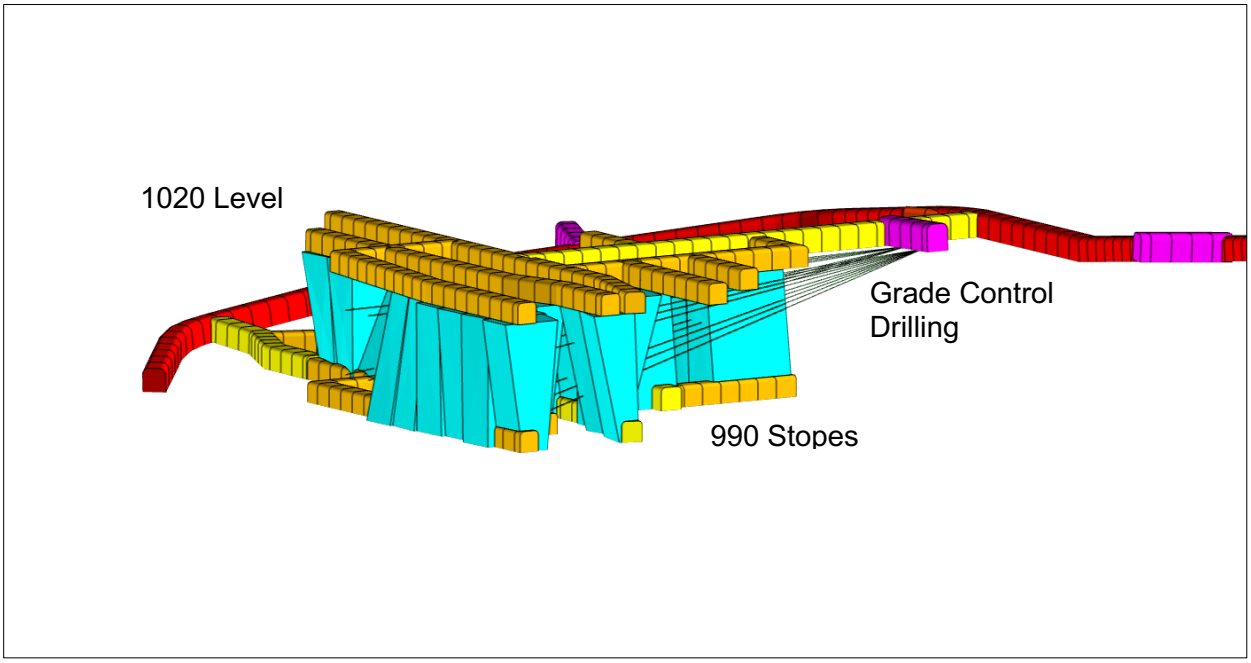
Drilling will be designed to collar in the drill stations which are offset from the exploration targets. Targets are located on both the hanging wall and footwall of the Marble Calcsilicate ("**MC**") lode. Drilling may pass through both the hanging wall and or the foot wall and may continue 2-3 m into the hanging wall of the MC orebody. The contractor will be responsible for the full operation of the diamond drills including field mark up of drill set ups and down hole surveying.

A total of 2319 m of grade control diamond drilling is planned as outlined in Table 3-4 and Figure 3-15 Grade control drilling takes second priority to exploration drilling.

Table 3-4: Grade Control Drilling Summary

	Unit	Phase 1	Phase 2
Main Shoot - Grade Control Drilling	meters	0	0
North Shoot - Grade Control Drilling	meters	2,319	0

Figure 3-15: Isometric View of Conceptual Grade Control Drilling



3.1.5 Stoping

In Phase 2 stoping is planned to excavate approximately 1.9 million tonnes of ore over 3 years. The gold recovered from stoping will provide revenue to fund a portion of the overall exploration program and will build confidence and experience in moving forward with a long-term profitable underground operation.

A trial stoping campaign was successfully conducted in 2021 with valuable experience and knowledge gained.

The mining method for the contractual period is envisioned to be sublevel open stoping ("**SLOS**"). Stope blasthole drilling will be done from in-ore sublevels roughly spaced 30 m vertically. It is envisioned that mechanized long hole drill rigs will be used for blasthole drilling of up or down holes.

Blast hole diameter will be appropriate for efficient mining and dilution control. All stope blasting must be done with electronic detonators.

Stopes will be started with an inverse raise to form a slot, and long holes slashed into the progressive void. Inverse raises have not been shown in the development quantities and will be designed by the Contractor along with blast hole layouts.

Mucking of ore will be conducted longitudinally along strike in the lower sublevel, so tele-remote capabilities are a requirement for all LHDs. Movement of ore will be from the stopes to the designated locations in the open pits using LHDs or LHDs to trucks.

Stope widths range from a minimum of 5 m to approximately 20 m. No backfill will be used in the stopes.

The planned stoping areas are shown in Figure 3-16 and Figure 3-17. The tonnes and grade by stoping area are shown in Table 3-5. The total tonnes by ore type (production and development) are shown in Table 3-6.

Figure 3-16: Oblique View of Planned Development and Stoping - 990 m RL North Shoot

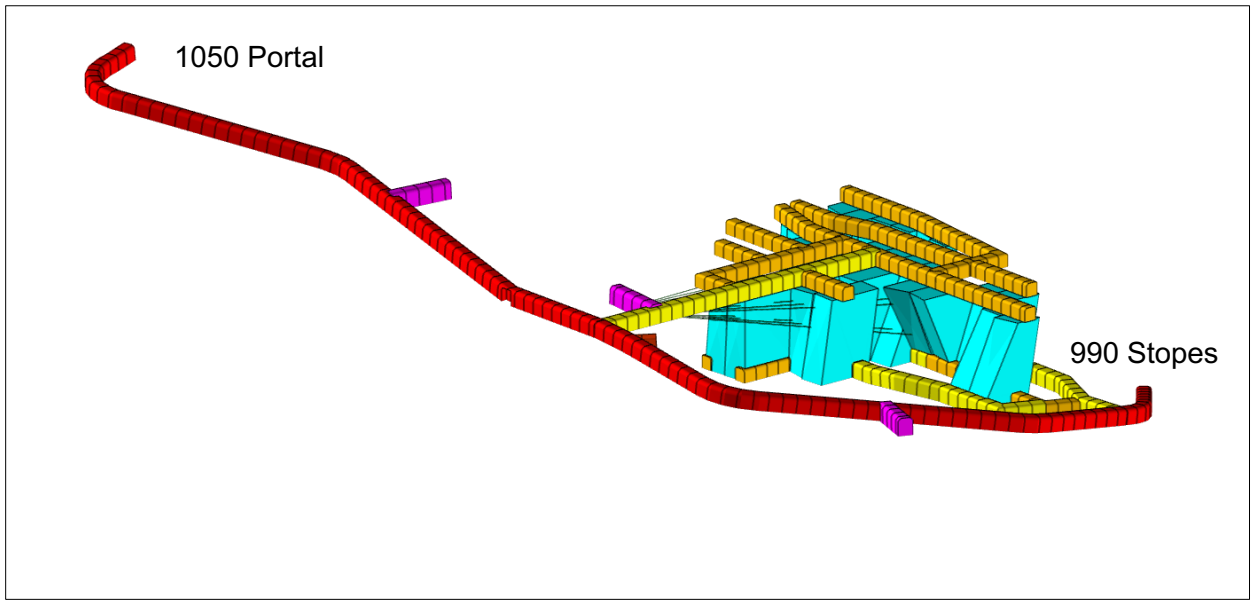


Figure 3-17: Oblique View of Planned Development and Stoping - North Shoot

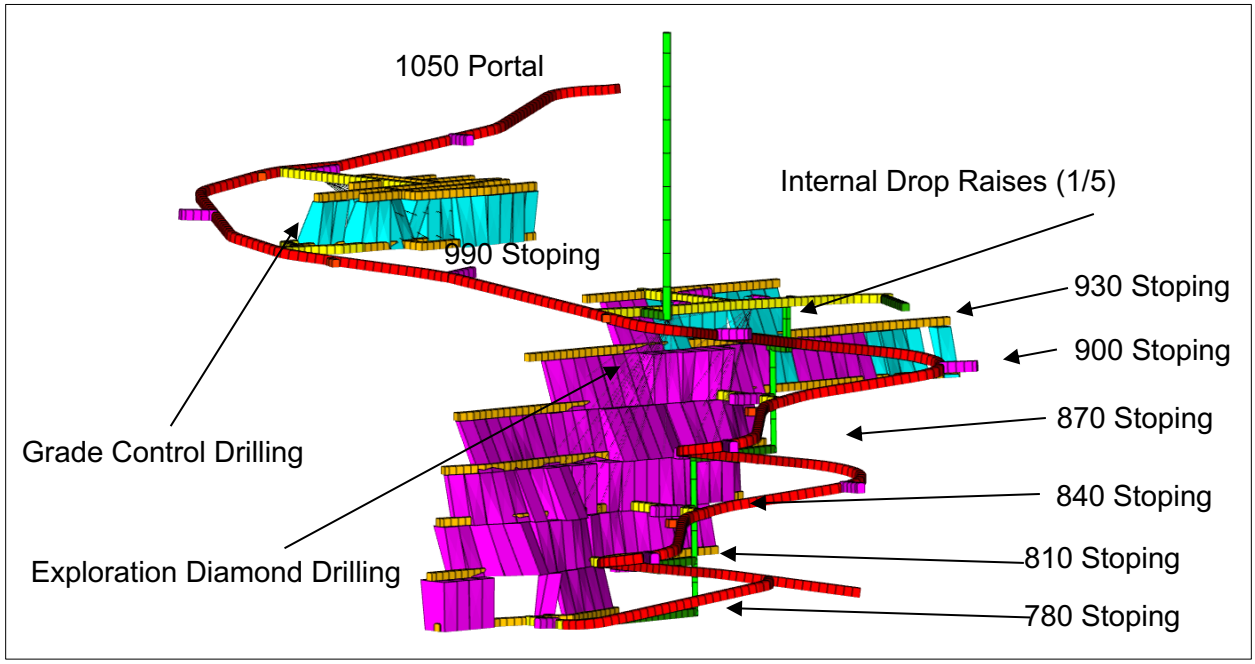


Table 3-5: Material Type by Elevation

Elevation (m RL)	Development Ore Tonnes (t)	Stope Ore Tonnes (t)	Total Ore Tonnes (t)
1020	9 547	0	9 547
990	30 264	335 255	365 519
960	2 273	0	2 273
930	25 642	112 365	138 007
900	15 165	176 875	192 040
870	17 577	148 740	166 317
840	15 395	117 048	132 443
810	14 090	137 907	151 997
780	8 677	103 423	112 100
750	11 655	24 594	36 249
720	31 958	83 571	115 529
690	43 553	225 572	269 124
660	50 804	161 207	212 011
630	48 642	191 218	239 860

Elevation (m RL)	Development Ore Tonnes (t)	Stope Ore Tonnes (t)	Total Ore Tonnes (t)
600	35 143	64 582	99 726
570	35 762	36 886	72 648
540	17 044	0	17 044
510	2 201	0	2 201
Total	**415 390**	**1 919 244**	**2 334 634**

Table 3-6: Total Production and Development Ore and Gold Mined

	Unit	Phase 1	Phase 2	5 Yr Total
Main Shoot - Production Tonnes	tonnes	-	811 711	811 711
Main Shoot - Development Tonnes	tonnes	-	282 661	282 661
North Shoot - Production Tonnes	tonnes	-	1 107 533	1 107 533
North Shoot - Development Tonnes	tonnes	40 233	92 497	132 730
Total - Tonnes	**tonnes**	**40 233**	**2 294 401**	**2 334 634**

3.1.6 Mining Layouts and Infrastructure

Fixed plant equipment will need to include:

- Power supply to underground and electrical reticulation for drilling shall be provided by the Contractor from an Owner-supplied 11000 Volt overhead transmission line from the mine grid to the portal area. The Contractor shall also provide feeder panels and transformers as required. The size of the feeder panels and transformers must be determined by the Contractor and is dependent on the equipment to be utilized in the Work. The Contractor shall in addition be responsible for all underground electrical supply engineering, construction, maintenance, and operation;

- Forced ventilation underground capable of providing quantities for the equipment classes specified and for multiple development headings (x-cuts, drives or drifts) shall be provided by the Contractor. Underground construction of ventilation requirements shall be also provided by the Contractor; see Section 3.1.7 (*Ventilation*); Contractor to Engineer and recommend ventilation network, duct sizing, prime movers, materials and all related ventilation peripheral equipment and designs;

- Water to underground for drilling will be provided by the Principal to the portal entrance, underground construction for water distribution shall be provided by the Contractor (150 mm pipe or similar), Contractor to engineer and recommend pipe network, sizing, materials and all related peripheral equipment and designs as well as wastewater treatment for reuse; service drop headers to be located at 30 m spacing;

- Compressed air to the underground for mining purposes and charging and prepping long holes if required (150 mm pipe or similar) shall be provided by the Contractor. Contractor to engineer and recommend pipe network, sizing materials and all related peripheral equipment and designs; Contractor to engineer the compressed air reticulation system, headers to be located at 30 m spacing. All long hole drill rigs and face jumbos should have onboard compressor; and

- All fixed water infrastructure on the 950 m bench and 1050 m bench underground to be provided by the Contractor, except service water supply, which will be provided by the Principal from a tank on surface and a line down the high wall, with a valve or delivered to UG tanks by water tankers. The outlet flange of the valve will be the Navachab battery limit for service water.

3.1.7 Ventilation

A mechanical ventilation system will be required. The contractor is required to engineer a system to support all foreseeable underground activities relating to normal underground development, excavation and diamond drilling. Ventilation plans will be reviewed by the Principal. Designs will at a minimum meet regulatory requirements for air flow and quality to support productive underground mining. Table 3-7 shows the expected vertical development required to sufficiently provide airflow to the mine.

Two major ventilation raises are currently envisioned, with the remaining ventilation system consisting of a series of inter level raises. These raises can be excavated using methods selected by the Contractor with the Principals approval. The raises vary in length from ~30 m to 310 m from underground exploration development to surface North of the active pit. Raises below 30 m in length shall be drop raised. Preliminary design sizes are expected to be in the range of 3.5 m to 5.0 m in diameter, square and circular cross sections.

Table 3-7: Summary of Vertical Development

	Unit	Phase 1	Phase 2	5 Yr Total
Main Shoot - Length of Drop Raise Total	meters	0	232	232
Main Shoot - Number of Drop Raises	No.	0	9	9
Main Shoot - Length of Raise Bore Total	meters	0	307	307
Main Shoot - Number of Raise Bore Holes	No.	0	1	1
North Shoot - Length of Drop Raise Total	meters	0	162	162
North Shoot - Number of Drop Raises	No.	0	6	6
North Shoot - Length of Raise Bore Total	meters	170	0	170
North Shoot - Number of Raise Bore Holes	No.	1	-	1

3.2 Blast Fume Clearance and Re-Entry Times

Blast fume clearance and re-entry times will be determined by the Contractor's Engineers using theoretical simulation methods or other industry standard means. Contractor shall present ranges for blast clearing times for intervals of major mine development works.

The contractor may assume during shift blasting provided all regulatory and Owner and approved safety protocols are followed. It is expected that initial portal development will require coordination with open pit operations until such time that underground blasting is deemed to no longer pose a significant risk to personnel in the pit. The contractor shall use electronic detonators during the excavation of the first 10.5 meters of each portal and monitor blasting vibrations in the vicinity of each of the portals until the Principal requests the termination of monitoring.

Blasting by pit operations is expected to require the removal of personnel from the underground Works. The blasting by the pit is expected to occur on day shifts only generally 3 times per week for a period of 2 hours during which standing time will not be charged, subject to the standing time term of 90% performance before standing time is approved.

Blasting of the portals should be planned to occur only on day shift until such time that the sound and fly rock emitted is deemed to no longer pose a risk for the mine site and neighbors.

3.2.1 Mobile Equipment

The Contractor is to provide all equipment necessary to perform the work at or better than the contracted rates.

The Contractor is to provide all ancillary equipment and tools necessary to perform the work at or better than the contracted rates.

Major equipment shall include but not limited to:

- Underground loaders with functioning remote loading capability; Teleoperation will be favored over direct line of sight;
- Underground production long hole drills capable of drilling up to 40 m up holes (62-102 mm diameter holes) and up hole charging mobile equipment to load such holes;
- Underground twin boom drill jumbo capable of drilling mining 3.0 m advance faces or longer and/or bolting and meshing drives up to 6.0 m high. Such a drill rig may also be configured to drill and install cable bolts where required or alternate equipment sourced to achieve ground support as Engineered;
- All ancillary equipment as required;
- Underground diamond drills capable of efficient coring to depths of 500 m depth in all hole dips, NQ size core;
- The Contractor will be required to carry out all servicing and maintenance of mobile equipment and provide facilities for this purpose; and

- Oil separation and handling should be provided by the contractor. Oil spillage will not be permitted.

No petrol-powered mobile equipment or plant such as generators or pumps are permitted for use in carrying out the Work.

3.2.1.1 Mining Consumables

The Contractor is to provide all necessary consumables and sundries necessary to perform the work at or better than the contracted rates.

3.2.2 Mining Schedule

The proposed mining schedule for the Underground Exploration Development is presented in Table 3-8. This should be read in conjunction with Figure 3-18. The Contractor should submit an improved development and production schedule in the tender document showing monthly totals and yearly totals. QKR has prepared a theoretical mine schedule, based on assumed mining rates. Table 3-8 shows the combined schedule inclusive of both Phase 1 and Phase 2.

Waste rock and ore will be deposited at designated locations external to the pit.

Details regarding the development and mining sequence of the specific drill drives and grade control drive are at the discretion of the contractor provided the Principal's production goals are being met for quantity and quality and the Principal approves.

Figure 3-18: Completed Mine Schedule of Phase 1 and Phase 2

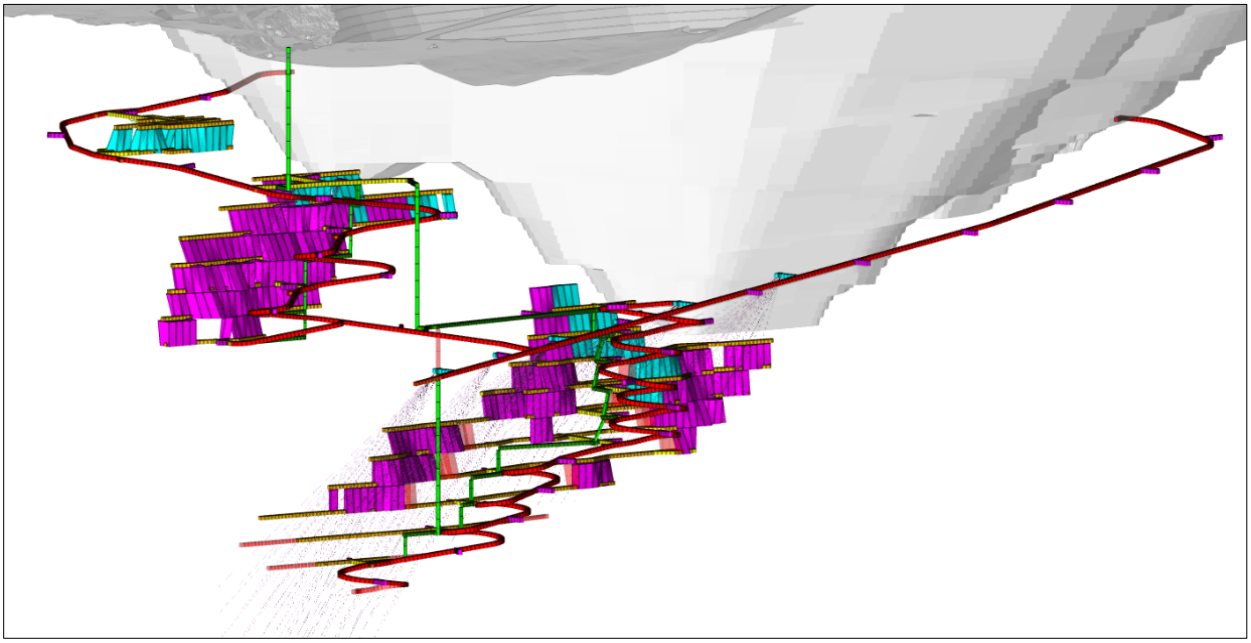


Table 3-8: Mining Schedule

Total	Units	TOTAL	Y1	Y2	Y3	Y4	Y5
Phases			Phase 1	Phase 1	Phase 2	Phase 2	Phase 2
Lateral Development	meters	17 810	1 701	2 247	5 215	4 611	4 036
Drop Raise	meters	395	0	0	137	159	99
Raise Bore	meters	477	0	170	169	0	139
Diamond Drilling	meters	55 200	0	17 121	38 080	0	0
Grade Control Drilling	meters	2 319	0	2 319	0	0	0
Stope Tonnes	tonnes	1 919 244	0	0	523 501	748 453	647 289
Total Waste	tonnes	1 031 489	128 881	164 812	349 651	209 105	179 040
Total Ore	tonnes	2 334 634	16 626	23 607	605 374	899 991	789 036
NS - North Shoot							
NS - Lateral Development	meters	6 447	918	1 744	2 747	1 038	0
NS - Drop Raise	meters	162	0	0	107	55	0
NS - Raise Bore	meters	170	0	170	0	0	0
NS - Exploration Diamond Drilling	meters	2 880	0	2 880	0	0	0
NS - Grade Control Drilling	meters	2 319	0	2 319	0	0	0
NS - Stope Tonnes	tonnes	1 107 533	0	0	507 958	535 849	63 726
NS - Total Waste	tonnes	389 346	60 814	120 396	150 704	57 432	0
NS - Total Ore	tonnes	1 240 262	16 626	23 607	577 000	559 304	63 726
MS - Main Shoot							
MS - Lateral Development	meters	11 363	782	504	2 468	3 573	4 036
MS - Drop Raise	meters	232	0	0	30	104	99
MS - Raise Bore	meters	307	0	0	169	0	139

Total	Units	TOTAL	Y1	Y2	Y3	Y4	Y5
MS - Exploration Diamond Drilling	meters	52 321	0	14 241	38 080	0	0
MS - Grade Control Drilling	meters	0	0	0	0	0	0
MS - Stope Tonnes	tonnes	811 711	0	0	15 543	212 604	583 564
MS - Total Waste	tonnes	642 143	68 067	44 415	198 947	151 673	179 040
MS - Total Ore	tonnes	1 094 372	0	0	28 374	340 687	725 311

3.2.3 Shift Patterns

Shift patterns are to be compliant with the *Labour Act*, 2007 as well as the provisions of the General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 read with the Mines, Works and Minerals Ordinance 20 of 1968 and the subsequent amendments and repeals.

3.2.4 Water Handling

The Contractor is expected to handle all water in the underground and deliver hydrocarbon free water to the pit. The contractor is responsible for the compliant disposal of hydrocarbons collected from the treatment of underground mine water prior to discharge. The underground mine water can be discharged on the surface such that it reports to the open pit sump, where it will be managed by the Principal. Wastewater should be treated, recirculated, and used underground as service water only.

3.2.5 Escape and Rescue

Because of the fire risk associated with rubber-tired diesel equipment, all persons entering the mine must be trained and equipped with belt worn self-contained self-rescuers that comply with current legislation.

The contractor is also required to provide a means of emergency warning for the workforce within the mine of impending danger. This will be done with the installation and maintenance of a mine emergency warning system that injects ethyl mercaptan (stench gas) into the compressed mine air system and ventilation supply stream. The contractor shall maintain a wired communication system throughout the mine with the maximum distance between the communication system and mining end face or workplace shall not exceed 50 m (Femco phones or similar. The contractor may elect to install digital communication systems to suit their operations. (Leaky feeder or similar.)

Local air quality monitoring shall be conducted for all underground workplaces. This is achieved by the issuing of carbon monoxide warning devices to selected persons in terms of the mine's Codes of Practice.

In the event of an emergency, a place of safety for each ramp to be provided underground for the safe refuge of affected persons.

The Contractor will minimize the risk of fire by following international industry best practices for the transportation, installation and storage of equipment and materials underground. Refuse must not be allowed to accumulate in the mine longer than the end of the working shift that it was created.

3.2.6 Safety

The following safety compliance is required at a minimum:

- Comply with the Namibian Regulatory requirements for underground mines; including, but not limited to, any applicable provisions of the General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 read with the Mines, Works and Minerals Ordinance 20 of 1968 and as amended thereafter;

- Compile a baseline risk assessment;
- Provide control measures to mitigate identified risks;
- Comply with mandatory codes of practice/procedures and with all applicable mine procedures; and
- Comply with health and safety related regulations as set out in the *Labour Act*, 2007 and the *Labour Act*, 1992: Regulations relating to the health and safety of employees at work.

3.2.7 Occupational Environment Measurements

Comply with requirements for measurement and reporting to the Principal of specific environmental conditions for an underground operation of this size and nature.

In addition, information about specific environmental conditions must be submitted to the Ministry of Mines and Energy regularly.

To comply with the legal requirements, specialized instruments would have to be purchased by the Contractor and the services of a suitably qualified occupational hygienist or ventilation officer would have to be obtained.

3.2.8 Gas Detection

Flammable gas is an acknowledged hazard in many underground mines. The design airflow quantities are adequate to disperse and safely dilute the anticipated flammable gas quantities provided that the required airflow controls and appliances are in place and are maintained.

Continuous flammable gas detection and measuring instruments must be provided at all drilling sites and any other place considered necessary by the responsible officials (and as specified in the Mine's Code of Practice).

To comply with legislation specifically the relevant provisions of the *Labour Act*, 2007, *Labour Act*, 1992: Regulations relating to the health and safety of employees at work and the General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 read with the Mines, Works and Minerals Ordinance 20 of 1968 as amended thereafter and best practices, carbon monoxide detectors/measuring instruments should also be issued as determined by the Mine's Codes of Practice for Escape and Rescue and for Lamp rooms.

3.2.9 Electrical Power Distribution Services for Electrical Installation

The power supply for the underground exploration development mine shall be by means of a power feed from the Principal's plant. The battery limits for Principal's distribution will be near the portal collars on surface. All cabling, transformers and feeder panels shall be provided by the Contractor.

The Contractor shall be responsible for the distribution, operation and maintenance of all power installations downstream of the battery limit and ensure that they comply with all relevant statutes, by-laws, regulations as may be applicable and to the satisfaction of the Principal.

The Contractor shall engineer, install and maintain ventilation systems that will provide fresh air permitting the safe and efficient operation of underground mining and exploration activities. The contractor is also responsible to Engineer the UG power distribution system in the mine including power supply to the exploration core drill rigs underground. The drills shall be positioned underground and shall be relocated by the Contractor as and when required. All cabling and equipment connected to the secondary or outgoing side of the feeder panel shall be supplied and installed by the Contractor. All cables shall be protected from mechanical damage, especially inside the pit where blasting is expected to continue during the underground exploration development.

3.2.9.1 Sanitary Facilities

The infrastructure such as toilets that will be positioned on the portal benches shall come complete with internal lighting and small power as required. These toilets shall be provided and maintained by the Contractor. Any similar facilities located underground shall also be supplied and maintained by the contractor.

3.2.9.2 Fire Detection and Protection

All substations should be equipped with 9 kg dry powder fire extinguishers.

The contractor is responsible for area firefighting equipment following industry best practices, Namibian regulations and recommendations.

3.2.9.3 Lighting for Both Exterior and Interior Areas

Lighting shall comply with the requirements of the regulations of the Namibian *Minerals (Prospecting and Mining) Act*, 33 of 1992, read with the Mines, Works and Minerals Ordinance 20 of 1968 as amended thereafter and the *Labour Act*, 2007 or applicable regulations.

Lighting around the portal entrance shall be by means of floodlights. Lights must be protected or moved away from the blasting areas before blasting can occur inside the pit. These shall be supplied by the Contractor. Underground lighting as required shall be provided by the Contractor.

3.3 Full Underground Mine

At the conclusion of the underground exploration development Phase 1, drilling and early stoping activities a decision will be made on continuation of underground exploration development and mining. The Contractor may be requested to continue with agreed upon mine plans as part of Phase 2 and continue development, stoping and diamond drilling underground. The underground mine will be based on the design determined by the Feasibility Study and on the results of the Underground Exploration Development, a high-level summary of which is presented below and is for information only. A report on the Feasibility Study will be sent to the Contractor at that stage. When the design for the full mine is finalized, it will likely be the subject of a new Tender document.

The potential additional work required for the continued exploration work will consist of additional sub level development, decline development, sumps, ore access drives, reef drives, ventilation raises, emergency egress, and long-hole stoping activities as required by the production schedule.

It should be noted that the intention is not to equip the exhaust raises with an escape winder but to

install escapeway ladders in the raises. The Contractor will bid their preferred system (supply and install).

Figure 3-19 and Figure 3-20 Illustrates the potential full underground mine with sublevels at approximately 30 m vertical intervals.

Figure 3-19: Cross Section View of Proposed Full Mine

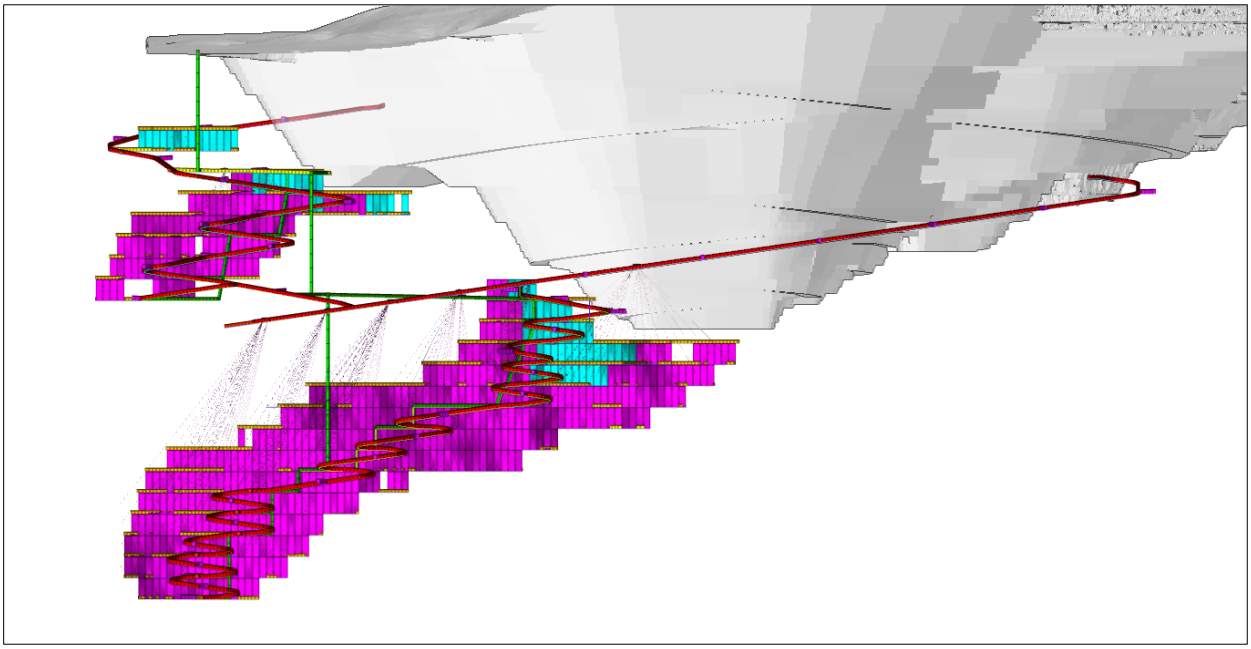
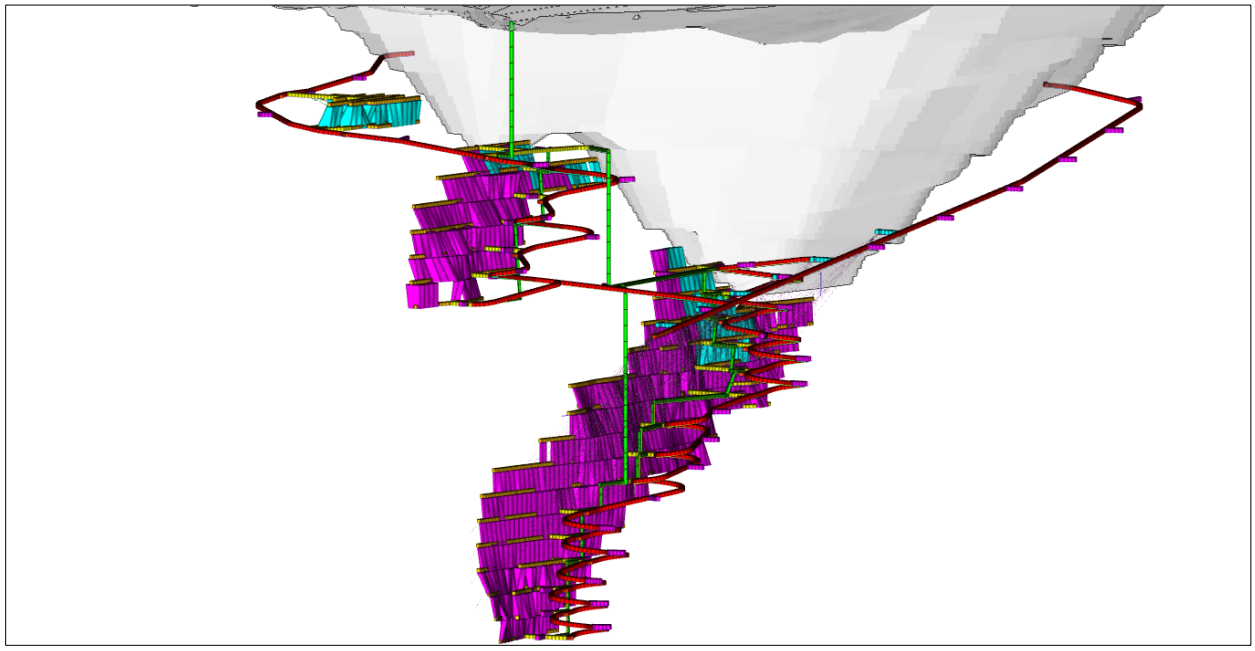


Figure 3-20: Isometric View of the Potential Development and Down Plunge Extension of Ore Zones from the Bottom of the Planned Phase 6 Pit



4 WORKS TO BE PERFORMED BY OTHERS

All statutory requirements – including those set out in the General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 read with the Mines, Works and Minerals Ordinance 20 of 1968 as amended thereafter and the *Labour Act*, 1992: Regulations relating to the health and safety of employees at work and other requirements to enable the operation to be carried out (e.g. survey, geology, rock mechanics) will be determined by the Principal in consultation with the Contractor. The Principal may also appoint its own Q/A and Q/C technical team such as survey, geology, rock mechanics, mining engineering, etc.

5 FACILITIES AND SERVICES TO BE PROVIDED BY THE PRINCIPAL

The Principal does not warrant the adequacy of these facilities and services in the performance of the Work.

The Principal will endeavor to work closely with the Contractor to establish facilities and services suitable to support the scope for work.

The Contractor warrants that it has provided for all the services and facilities including those provided by the Principal under this Section of the Specification, required by it to discharge all its obligations and liabilities to the Principal under the terms and conditions of the Agreement.

5.1 Facilities to be Provided by the Principal

a) Site areas for the Contractor to establish its facilities and lay down areas on the site location shown in Figure 5-1: General Site Layout and Figure 5-2: Location of Contractor surface buildings, or as otherwise approved by the Principal. The site is located adjacent to the planned Mine offices and facilities and is within the Mine security area;

b) The Principal shall control access to and arrange for security for the Mine. In addition, Contractor employees will be subject to police clearance and will be required to present a conduct certificate before commencement of Work. The Principal shall not be held liable for any losses incurred by the Contractor due to security breaches;

c) Any person deemed to pose a security or safety risk or does not comply or refuses to comply with the Principal's instructions shall be removed from the mine and refused entry;

d) All security cleared persons will be issued with an access card by the Principal and shall produce the access card when asked to do so by a member of the Principal's security personnel. The access cards are to be issued and used in line with the Principal's policies and procedures;

e) The Contractor and its employees shall submit themselves to reasonable searches, alcohol and drug testing at any time and in whatever reasonable manner the Principal considers necessary;

f) The Principal and its security personnel shall at all times have open access to any area controlled by the Contractor for security purposes including but not limited to patrols and searches.

g) The Principal will supply non-potable water to the surface workshops and the portals for underground;

The Contractor shall operate and maintain the non-potable water pumping, storage and reticulation facilities as required to fulfil its obligations and commitments under all the terms of this Contract;

h) The Principal shall establish and provide an adequate supply of potable water to a suitable location to be chosen on site by the Principal;

The Contractor shall make its own arrangements for the distribution of potable water from that point to each site as may be required;

No charge will be made by the Principal to the Contractor for reasonable consumption of potable water;

i) The Principal shall provide an adequate supply of diesel fuel to the Contractor for site use at prevailing market rates. The Contractor will be invoiced at the end of each month by the Principal for all diesel drawn from the Principal's fuel farm. A base price for diesel will be provided to the Contractor by the Principal;

The Contractor must install fuel management system hardware and software on Contractor's equipment and vehicles compatible with the Principal's system;

The Contractor shall make his own arrangements for the distribution of diesel fuel from that point to its mobile equipment fleet;

The Contractor must supply the Principal with an estimate of diesel fuel usage before commencing the Work and monthly going forward;

j) Principal's office: The Principal will operate and maintain site office buildings for the Principal's own use at the mine;

k) All stockpiles and waste storage areas;

Preliminary locations for the ROM ore stockpiles and designated waste rock dump are shown on Figure 5-1;

The Contractor shall be responsible for the establishment of and maintenance of ROM ore stockpiles and designated waste rock dump to the satisfaction of the Principal; and

l) General site security.

Figure 5-1: General Site



Figure 5-2: Overview of Pit and Contractor Laydown Area Shown in Pink Polygon - Layout Showing Potential Haul Routes for Ore (green) and Waste (blue)

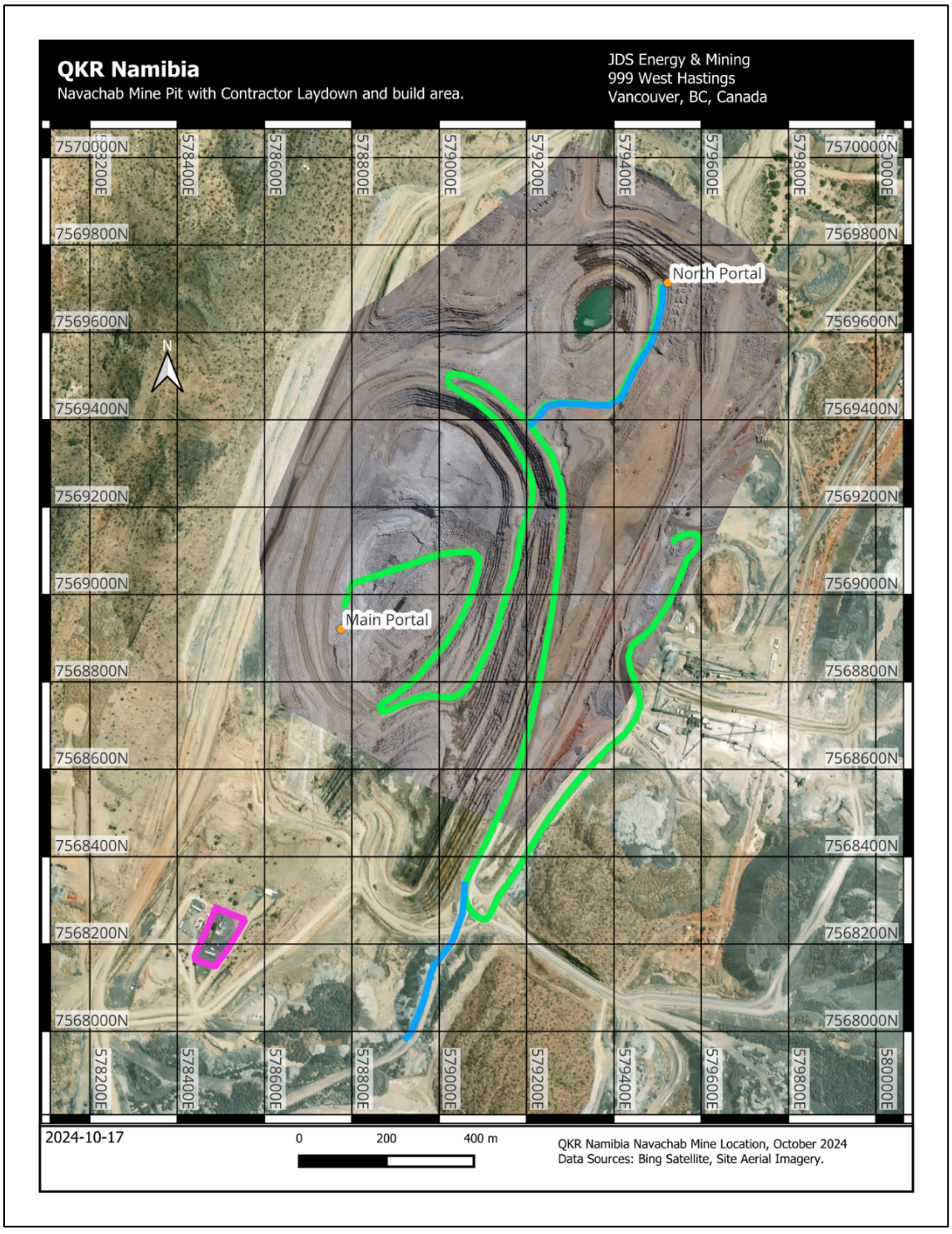
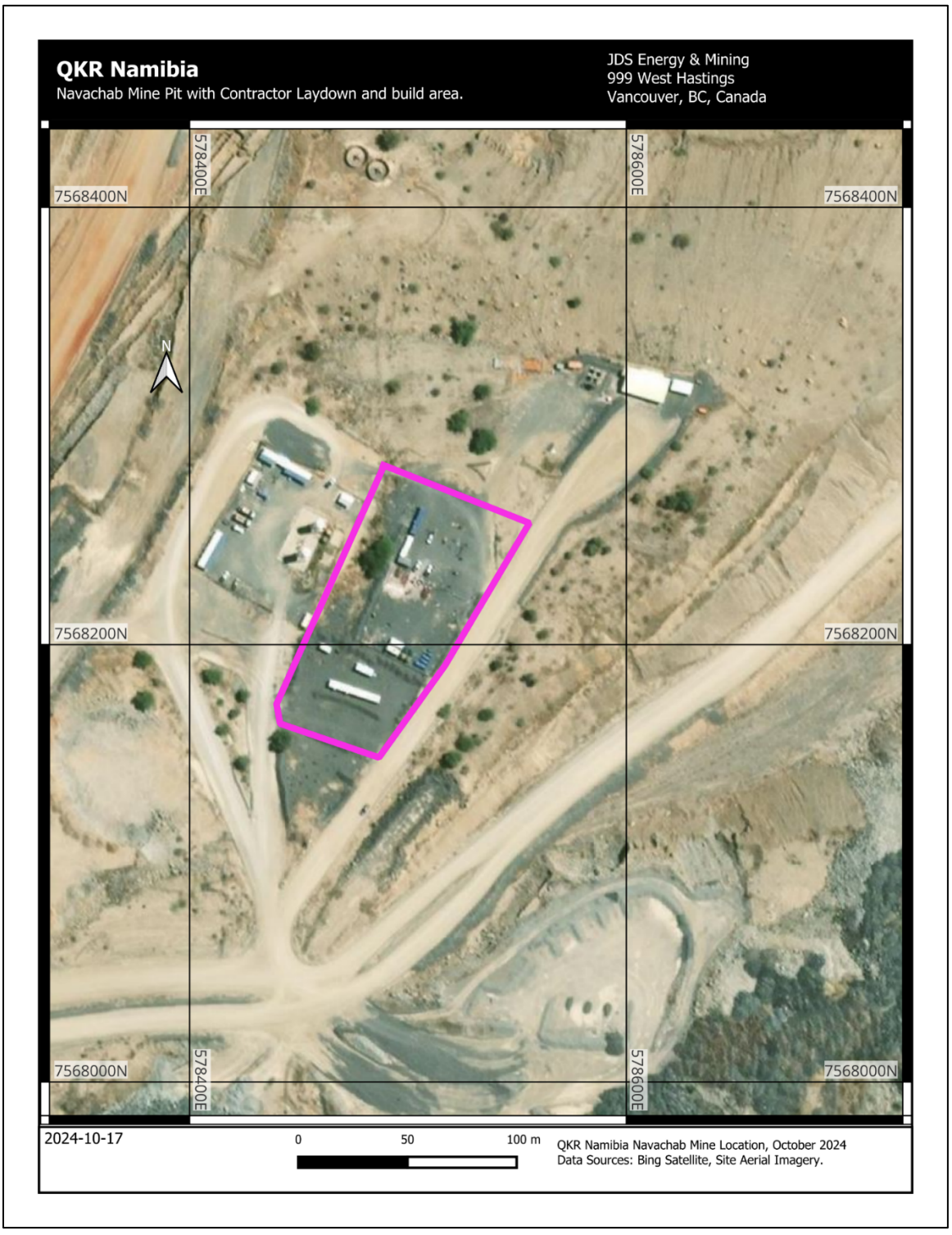


Figure 5-3: Contractor Laydown Area



5.2 The Principal will Provide the Following Surveying Services

Control survey to the portal locations sufficient to enable the Contractor to set out the underground Operations.

5.3 Joint Responsibility

The Principal places great emphasis on the control of design and planning criteria.

All short term and operational underground planning will be undertaken by the Contractor, including Mining Engineering, mine survey and mine geology responsibilities. The documented processes and methods of work for each of these disciplines shall be submitted to the Principal and shall be approved for implementation prior to undertaking any technical activities at the Mine.

All design concepts, layouts, planning, scheduling and detail work will be undertaken by the Contractor and reviewed by the Principal's Representative prior to construction. Copies of Issued for Construction drawings and any updates or revisions shall be provided to the Principal for their record in a timely fashion.

6 FACILITIES TO BE PROVIDED BY THE CONTRACTOR

6.1 Contractor's Establishment

The Contractor shall provide an establishment on the site adequate for itself and its subcontractors which shall include, but not necessarily be limited to the following facilities:

a) Office and administration facilities including an area for job, safety and induction training;

b) Parking facilities required more than its allotted area;

c) Workshop and warehouse facilities; Surface and/or UG;

d) Parking and lay down areas for all items of constructional plant and light vehicles;

e) All oils and lubricants required by the Contractor, lubricant storage and dispensing facilities;

f) Catering operations for the owner's facilities dedicated to the contractor, / rest facilities operations ; all other facilities and personnel needed to operate;

g) Change house, ablution blocks and toilets, with connection to the Principal's main sewerage and waste disposal lines;

h) Lamp room for the storage of lamps, self-contained self-rescuers, gas monitoring and other instruments;

i) Power supply connection and distribution including fixed lighting as required to complete the Operation;

j) Internal telecommunications facilities as required. The Principal will provide a line to the Contractor from the main switch board;

k) Suitable licensed explosive and accessory storage magazines for underground consumables. The location of the Principal's surface magazines is as shown on Figure 5-1. These magazines are available for use by the Contractor subject to capacity;

l) Potable water supply connection and distribution to the Contractor's Operations;

m) Non-potable water storage and distribution including water tanker filling facility as required;

n) Wash-down slabs, including oil and silt traps;

o) Infrastructure situated on the 950 m RL bench and 1040 m RL bench;

p) Oil/grease/water separation facilities to decontaminate mine water prior to discharge to the pit sump. Equipment and tools to properly dispose of waste oil, lubricants and coolants;

q) Underground emergency response training facility;

r) Underground Emergency Response team (PROTO) and vehicle;

s) Dedicated emergency response vehicle parking on surface; and

t) all other facilities necessary for carrying out the Operation.

Contractor provided facilities must be constructed with the potential for expansion to a full underground mine in mind.

The Contractor's establishment shall be in the areas set aside for the Contractor as shown in the drawings or as may be otherwise approved by the Principal.

At least 14 days prior to the date that construction of the establishment is planned to commence the Contractor shall supply to the Principal detailed information and drawings of all facilities including, but not limited to offices, sanitation, workshops, warehouses, amenities, refueling facilities if needed, magazines, services, water, electrical, reticulation and temporary structures to be erected on the site. Such information shall include the capabilities of all lifting and operating equipment, as well as plans and specifications for all fences which are to be erected by the Contractor or its subcontractors for the security or division of its areas.

During the term of the Agreement, the Contractor shall submit to the Principal detailed information and drawings of any alteration or addition to its establishment to the Principal at least 7 days prior to commencing construction.

The Principal may reject the whole or any part of the facilities or any alteration or addition to such facilities proposed by the Contractor should he consider that the information and drawings presented by the Contractor either do not reflect the intent of the Agreement or will not allow safe and efficient operation by the Contractor or do not confirm to best mining industry practice.

If the Manager Principal rejects the information and drawings presented by the Contractor, the Contractor and its subcontractors shall not commence construction of the facilities or any alteration or addition to such facilities.

The Contractor shall be responsible for obtaining all building and other statutory approvals required for the construction of its, and its subcontractors, facilities and shall provide copies to the Principal prior to the commencement of constructing its establishment.

The Contractor shall connect the Contractor's establishment to the services provided by the Principal in accordance with the Agreement at the points shown in the drawings or as may be otherwise approved by the Principal.

The Contractor shall be responsible for maintaining its and its subcontractor's establishments in good condition and the Contractor's and its subcontractor's establishments shall, at all times, be kept in a workman like state.

6.2 Handover of Contractor's Establishment

Upon the completion of the Work or earlier termination of the Agreement the ownership in the facilities, including fixtures and fittings, making up the Contractor's establishment including that of any of its subcontractors used in carrying out the Works, shall be transferred to the Principal except

in the case that the Agreement is renewed/renegotiated for continued mining.

The Contractor shall hand over its, and any of its subcontractor's establishments to the Principal or to his nominee in a clean and fully maintained condition excepting fair wear and tear.

The Principal may ask the Contractor to remove some facilities and infrastructure which the Principal wants removed at the completion of the Works or earlier termination of the Agreement. The estimated cost of structure removal will be noted in the Contractors tender submission.

Table 6-1: Sample Building Demolition Costs

Building Type	Cost to Remove	Additional Comments
Building No.1 (Ex: Lamp Room)		
Building No.2 (Ex. Dry)		
Building No.3 (Ex. Meeting Room)		
Building No.4 (Ex. Surface shop facilities)		
Building No.5		
Building No…		
Building No. X		

7 OPERATION OF CONTRACT

7.1 Work Cycles

The Contractor must determine and propose a shift system that is compliant with the Labour laws of Namibia and allow drilling and blasting, loading, support and face preparation.

The shift system proposed shall be subject to approval by the Principal.

Contractors must abide by the standard operating procedures related to traffic in the pit. The Operation must cease during open pit blasting and all employees and light vehicles must be removed from the underground and from the pit and whilst blasting takes place. Heavy trackless vehicles must be parked either within the workings of the Operation or removed to surface during open pit blasting.

The Contractor shall supply the Principal's Representative with a summary at the end of each month detailing the names, occupations of all its employees employed on the Agreement and their hours worked per shift during the period in addition to standard reporting key performance indicators like tonnes mined, development meters etc.

7.2 Mining and Development Rate Requirements

The Contractor shall, deliver to the portal benches, or designated stockpiles, all ore mined from the underground operations at the quality and grade as determined by the grade control programme.

The amount and quality of tonnes ore to be mined, the development advance to be achieved each month and the quality of Workings to be achieved shall be determined by the Principal and incorporated in the Principal’s monthly mining plan. The Contractor must ensure equipment availability that allows the Contractor to achieve the targets set for each period as per the Principal’s monthly mining plan.

Should the performance of the Contractor fail to meet the requirements in any month, as specified in the Principal’s monthly plan referred to above, the Principal may notify the Contractor in writing and the Contractor shall, within 5 business days, provide a remedial plan to the Principal, which sets out the necessary steps to be taken by the Contractor to expedite progress so as to perform the Works at the required rate and to catch-up on the shortfall in accordance with the provisions of the Agreement, which plan shall be approved by the Principal. Should the Contractor fail to meet the required rate and catch-up on the deficiency in accordance with the agreed remedial plan and schedule, the Principal may perform the Work itself or engage third parties to perform the Work required to comply with the remedial plan and schedule. All costs associated with such actions by the principal shall be for the account of the Contractor.

The submission to and approval by the Principal of any remedial plan shall not relieve the Contractor of any of its duties or responsibilities under the Agreement or at law, unless agreed to by the Principal in writing.

Notwithstanding the provisions above, if the Contractor fails to meet the requirements or the quality is not to the standard required by the Principal, the Principal has the right to terminate the

Agreement by notification to the Contractor.

7.3 Duration of Contract

The total Contract time excluding mobilization shall be agreed between the Contractor and the Principal and may not be extended unless formally agreed in writing by both Parties.

8 QUALITY ASSURANCE – PRINCIPAL'S AUDITS

8.1 Audits

The Principal may carry out a quality audit of any part of the Operation at any time.

Such audits include product, service, process, and technical procedures audits. Where the Principal's audit indicates non-conformance by the Contractor with its quality assurance plan covering the part of the Work, the Principal may direct the Contractor to immediately stop work on that part of the Work. If the Principal so directs, the Contractor shall immediately cease carrying out that part of the Work which is not being conducted in accordance with its quality assurance plan. This shall not be cause for standing time for purposes of payment. The cost of rectifying the non-conformance shall be for the Contractor.

Work shall not resume until the non-conformance has been rectified and approved by the Principal.

Within 24 hours of receipt of any such direction by the Principal, the Contractor shall submit to the Principal a detailed report on the non-conformance with a plan to remedy the non-conformance. This report shall include, but not necessarily be limited to:

- Full details of the nature of the non-conformance;
- Full details of the process control and inspection and testing elements of the quality assurance plan covering the part of the Work affected by the non-conformance; and
- The corrective action to be taken to prevent recurrence including controls to be put in place to ensure the effective application of such corrective action.

The Principal may upon receipt reject this report and require the Contractor to clarify or expand on the report or modify its proposed methods of correction if, in the Principal's opinion, the proposed methods of correction will not result in the elimination of non- conformance by the Contractor.

Should the Principal reject the report, the Principal may rescind any approval previously given to the Contractor to recommence that part of the Work covered by the initial direction to stop work.

8.2 Insurance

The Contractor is responsible for the care of the site under its control until the earlier of expiry of the Term or termination of the Agreement. The Contractor must make good at the cost of the Contractor any loss or damage caused by any of its employees or subcontractors while carrying out the Work.

The Contractor shall take out and maintain the following insurances:

- Third Party Liability Insurance;
- Workmen's Compensation Insurance;

- Contractor's Fleet, Plant and Equipment Insurance;
- Motor Vehicle Liability Insurance; and
- All risk insurance as considered appropriate for a contract of this nature and as may be amended from time to time.

The Contractor, its personnel and/or subcontractors, manufacturers, vendors, and suppliers shall be named as co-insureds under all insurance policies taken out by the Contractor.

The Principal shall be named as co-insured under all insurance policies taken out by the Contractor except for Workmen's Compensation Insurance.

9 SAFETY

The Contractor shall be responsible for the occupational health and safety at all times of all employees engaged by it including its employees, subcontractors, visitors working or attending at any workplace under the Contractor's control.

In performing the Work, the Contractor shall meet the following requirements and have due regard for the following guidelines. The Contractor acknowledges that it has made adequate provision in its unit rates to accommodate all the requirements and guidelines of this Section of the Specification.

9.1 Occupational Health, Hygiene, Welfare and Safety Plan

Prior to the commencement of the Works, the Contractor shall provide the Principal with copy of the Occupational Health, Hygiene, Welfare and Safety Management Plan which shall form part of the Contractor's quality assurance plan and shall include, but not be limited to, policy and procedures for:

- Pre-employment medicals, post-employmentmedicals and medical surveillance programme;
- Complying with the Namibian Regulatory requirements;
- Compiling a baseline risk assessment;
- Providing control measures to mitigate identified risks;
- Implementing Occupational Health hazard measurements at regular intervals as required by the Principal or by applicable Laws;
- Complying with all mandatory codes of practice/procedures;
- Induction of its employees, subcontractors, agents, consultants and visitors, including annual induction;
- Reporting and investigation of incidents, accidents and damage;
- Emergency response procedures including first aid and fire;
- Operating procedures for construction plant;
- Operator instruction and training;
- Special procedures which may be issued by the Principal for conduct of the Operation;
- Wearing and the use of protective equipment;
- Crew meetings;

- Identification of hazards;
- Handling storage and use of hazardous and designated materials;
- Disposal of all waste products;
- Establishment of targets and reporting procedures for safety performance;
- Formal safety audit programme and internal inspections;
- Drugs and alcohol testing and management;
- Election and appointment of safety representatives;
- Supervisor, manager's and safety representative inspections; and
- Lock out procedure.

As part of its quality assurance plan the Contractor shall review and update its Occupational Health, Hygiene, Welfare and Safety Management Plan at intervals no greater than 3 months or as otherwise directed by the Principal to ensure that it aligns with Principal's Occupational Health, Hygiene, Welfare and Safety Policy (as amended from time to time).

The principal may reject any revisions proposed to the quality assurance plan arising from these reviews and audits and direct the Contractor to re-submit or modify aspects of its proposed provisions if, in the Mine Principal's opinion, these do not meet the requirements of the Principal's Occupational Health, Hygiene, Welfare and Safety Policy (as amended from time to time).

The Contractor must ensure at no additional cost to the Principal that all Contractor's employees comply with all directions and instructions given by the Principal relating to the safety and health of persons, safety of equipment and compliance with applicable Laws. The decision of the Principal is final, and any such instructions or directions must be complied with.

The Contractor and its employees must conduct and participate in emergency response training and drills. The cost associated with such attendances shall be for the Contractor's account.

9.2 Induction Programme

Each of the Contractor's employees, subcontractors, and agents, shall attend and satisfactorily complete a safety induction program before commencing Work. This mine induction program shall be provided to the Principal, and the Underground induction program shall be provided by the contractor, prior to the commencement of the Work and shall form part of the Contractor's quality assurance plan and shall include, but not be limited to:

- Issue of induction training handouts and explanation of mine safety rules and procedures;
- Issue of protective clothing and equipment and rules relating to their use;
- Explanation of general methods of work;

- Site traffic rules and driving rules;
- Use of firefighting appliances;
- Emergency procedures;
- Communication systems;
- Introduction to mine environment and potential hazards;
- Hazardous materials handling and safety;
- Provisions for first aid;
- Basic first aid and resuscitation;
- Environmental management training;
- Lockout procedure;
- Explosives and blasting
- Fumes and gases;
- Rockfalls;
- Mobile equipment;
- Isolation and danger tag procedures; and
- Seat belts to be fitted and worn.

The Principal may approve modified and shortened programs for subcontractors and agents, consultants and visitors of the Contractor who work in limited areas of its operations on site.

The Principal may reject this program or direct the Contractor to resubmit or modify aspects of the program at any time during the performance of the Works if, in the Principal's opinion, it does not adequately meet the requirements for induction of employees, subcontractors, agents, consultants and visitors, in compliance with the requirements of the Principal's Occupational Health, Hygiene, Welfare and Safety Policy (as amended from time to time).

9.3 Instruction and Training Programme

No person shall operate mining equipment, or perform other critical duties, on the site until the person has been adequately trained, instructed, tested and certified in the operation of such mining equipment and has been duly authorized by the Principal.

The Contractor shall have as part of its quality assurance plan an instruction and training program which shall include, but not be limited to:

- Risk assessment;
- Provision of suitably experienced and skilled trainers;
- Induction on explosives;
- Vehicle and equipment induction;
- Practical operation training under close supervision of the trainer;
- Minimum training hours constituting solo operation and including operation in various conditions;
- Work conditions likely to be encountered;
- Minimum training hours constituting on-job operation;
- Testing in both knowledge and skills;
- Certification; and
- Refresher training sessions.

The Principal may direct the Contractor to modify aspects of its instruction and training programs at any time during the performance of the Works if, in the Principal's opinion, these do not adequately meet the requirements for safe operation of mining equipment or safe operating practices on the site.

The Contractor shall maintain a register, which is available to the Principal, giving details of the induction, training, authorization and licenses that each employee has received including details of previous work history.

All Contractor employees driving construction plant on the site shall possess a current driving license of appropriate grade.

9.4 Emergency Response

The Contractor shall conduct and participate in emergency response training exercises. These emergency response training exercises shall be carried out as directed by the Principal and shall involve all employees involved in undertaking the Operation.

Emergency response training exercises will generally occur at intervals not greater than 3 months and the duration will be for up to 2 hours.

Mine rescue (PROTO) / Mine Emergency Warning System testing & training.

9.5 Chemical Materials

Five days before the Contractor proposes to bring any materials of a chemical nature, either human-caused or naturally occurring, onto the mine for the first time it shall submit to the Principal a material safety data sheet outlining the nature and handling/storage and application requirements of the materials.

The Principal may immediately, or at any time during the performance of the Works, reject the material safety data sheet submitted by the Contactor and require it to be re-submitted if, in the Principal's opinion, it is inadequate for the safe handling and application of the material, or the material does not comply with the Principal's Chemical and Dangerous Goods Policies. (as amended from time to time) provided to Contractor.

In the event that the Principal rejects the material safety data sheet provided by the Contractor then the Contractor shall not bring the materials covered by this data sheet onto the mine and shall immediately remove any such materials from the mine.

9.6 Construction Plant

All construction plant used by the Contractor and its subcontractors in the performance of the Works shall be maintained in a fully serviced and safe condition, in accordance with all statutory regulations, including, but not limited to, General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 read with the Mines, Works and Minerals Ordinance 20 of 1968 as amended thereafter; and the Principal's requirements. The Contractor shall either immediately remove from the mine and replace; or repair any item of construction plant which, in the opinion of the Principal, does not meet these requirements.

The Contactor shall provide to the Principal, reports on all the checks and inspections on construction plant which it has conducted to ensure their mechanical serviceability and suitability for safe operation and to comply with the appropriate sections of the *Minerals (Prospecting and Mining) Act*, 1992 read with the Mines, Works and Minerals Ordinance 20 of 1968 as amended thereafter and the Principal's requirements.

9.7 Abnormal Activities

The Contractor shall ensure that its quality assurance plan identifies activities which expose employees and/or construction plant to hazards which are not covered by documented work procedures. All work on such activities shall be stopped until adequate procedures for the safe completion of the activities are developed and all employees adequately instructed in their use.

9.8 Incidents

As part of the Occupational Health, Hygiene, Welfare and Safety Management Plan, the Contractor shall provide a standard operating procedure for the reporting and investigation of incidents. Incidents should be reported within the timelines and format as per Principle's policies and procedures. All incidents must be reported to the Principal without delay. The Principal will determine whether the incident must be investigated and by who. Special attention must be taken on the composition of the investigation team and on the format of the investigation report.

9.9 General Safety Requirements

The Contactor shall provide each of its employees with all safety clothing and protective equipment as may be required in the performance of the Work and to conform with the Principal's procedures for protective clothing and in accordance with the *Labour Act*, 2007 (*Act 11* of 2007). Reflective clothing or reflective vests shall be worn by all employees always working underground and on surface during the hours of darkness and by anyone working in the vicinity of major items of construction plant.

The Contractor shall conduct formal meetings for all its employees, subcontractors, agents and consultants not less frequently than once per month at which items of health and safety and other pertinent subjects shall be discussed. As soon as practicable and always within 2 days after each meeting, the Contractor shall provide the Principal with a signed copy of the minutes of that meeting and an action plan to deal with all issues raised at the safety meeting.

The Contractor shall fully cooperate with the Principal's safety directives.

The Contractor shall appoint suitably qualified persons as a supervisor, a safety team and ensure a work-place safety representative is elected. The safety team shall be required to monitor and evaluate the Contractor's compliance with its safety plan and compliance with the *Labour Act*, 2007, read with *Labour Act*, 1992: Regulations relating to the health and safety of employees at work. The Contractor shall comply with all the requirements of the *Labour Act*, 2007 with respect to health and safety representatives.

The Principal will establish a work place safety committee covering all employees at the mine in accordance with the *Labour Act*, 2007.

The Contactor shall nominate, for approval by the Principal, 2 employees including the Contractor's Representative as required to represent it as an employer in matters of health and safety on the work place safety committee. The Contractor's Representatives and employees as approved by the Principal shall attend and participate in all meetings called by the Principal under the *Labour Act*, 2007, read with *Labour Act*, 1992: Regulations relating to the health and safety of employees at work, to discuss health and safety.

Contractors will present summaries of their standards or policies for:

- Employee First Aid Training;
- Mine Rescue Training/competency;
- Underground Emergency Response; and
- Central Underground Control & Reporting on Surface.

10 ENVIRONMENTAL

In performing the Work, the Contractor shall meet the requirements and have due regard for the guidelines set out below. The Contractor acknowledges that it has made adequate provision in its unit rates to accommodate all the requirements and guidelines set out below.

To assist the Contractor in meeting the requirements and guidelines, the Contractor shall be provided with reasonable access to the Principal's monitoring facilities and data.

10.1 Environmental Obligations

The Contractor must at all times comply with applicable environmental laws and relevant conditions of the Mining License. In addition, the Contractor must at all times comply with the Principal's Environmental Management Plan in conducting the Work The Contractor must perform its obligations under this Agreement in a matter so as to avoid causing unlawful pollution of the mine and its surroundings. In this regard, pollution includes but is not limited to contamination, hazardous or toxic substances or emissions including noise, dust and fumes or any other like matters or contravention of applicable Law.

The Contractor shall at its own cost, clean up any pollution on the mine or its surroundings caused by the Contractor or its subcontractors.

If the Contractor infringes any environmental regulations and causes an infringement notice and fine or causes an impost to be levied on the Principal, the Contractor must pay the Principal the amount of the fine within 30 days and all related costs including legal fees.

10.1.1 Hydrocarbon Contamination

The Contractor shall take all reasonable precautions to prevent spillage of fuel, oils or lubricants on the mine. Any machinery leaking oil or fuel shall not be permitted to perform Work.

The Contractor shall immediately bring to the attention of the Principal any fuel, oils or lubricants spillage and shall contain and clean up any such spillage at Contractor's cost.

The Contractor shall indemnify and hold the Principal harmless from any claim, harm, damage or loss resulting from such spillage or Contractor's failure to comply with these obligations.

10.1.2 Noise Generation

The Contractor shall select its construction plant and, carry out and maintain sound dampening and exhaust muffling modifications to its construction plant, so as to ensure that its operations meet the requirements for noise abatement under the Agreement.

In the selection and use of construction plant, and in particular in the selection and use of rock-breaking plant and drill rigs, the Contractor shall note the requirements under the *Labour Act*, 2007, read with *Labour Act*, 1992: Regulations relating to the health and safety of employees at work for noise emissions from mining activities.

The Contractor shall plan and organize its operation so that noise levels generated from it are reduced to a practical minimum.

10.1.3 Waste Materials

The Contractor shall ensure that all fuel, oil and lubricant spillage is caught in an oil trap from where it will regularly be scraped off into oil drums for collection by an oil recycling contractor.

Ferrous and non-ferrous scrap (after rejection from the salvage yard) will be collected by a scrap merchant on a regular basis.

The Contractor shall collect and segregate wastepaper and glass for recycling and provide suitable rubbish receptacles at work sites and shall ensure that all other solid waste is placed in them and properly disposed of at the existing mine rubbish dump. Underground waste receptacles will be constructed of non-combustible metals and come equipped with tight fitting lids.

Chemical substances shall be disposed of in accordance with the applicable material data safety sheets. Care shall be taken to ensure that non-compatible dangerous goods are not combined. Waste bins shall be clearly labelled to indicate the class of chemicals being disposed of.

Old tires may be disposed of within the waste dumps and backfill waste dumps providing that this does not conflict with statutory requirements.

10.1.4 Blast Vibration

The Contractor shall carry out blasting in such a manner as to ensure that vibration levels do not exceed approved standards for particle velocity. Blasting operations will need to be coordinated between the underground and open pit operations.

10.2 Management Limits

From time to time the Principal shall set management limits with which the Contractor shall conform.

11 PERSONNEL

11.1 Principal

The Principal will appoint the Principal Representative who shall hold the relevant qualifications and experience as set out in the General Regulations (Government Notice 143 of 1968): Mines, Works and Minerals Ordinance, 1968 and as amended thereafter.

11.2 Mine Planning Engineer

The Principal will appoint a Technical Team to oversee the project Quality Assurance and Quality Control in processes such as geology, grade control, mine engineering, contract management, planning, survey, and other technical services as required.

11.3 Contractor's Senior Personnel

11.3.1 The Contractor's Representative

The Contractor shall appoint a representative, who shall report to the Principal's Representative for the entire conduct and execution of the Work.

The Contractor Representative or any other person nominated by the Contractor shall be eligible to be appointed as per relevant section of the *Mines, Works and Minerals Ordinance Act* of 1968, and as amender thereafter, by the Principal.

11.3.2 Other Senior Personnel

The Contractor shall provide details of all the senior personnel nominated for the project together with information on their qualifications and relevant experience who shall hold the relevant qualifications and experience as set out in the General Regulations (Government Notice 143 of 1968): Mines, Works and Minerals Ordinance, 1968 as amended thereafter, where applicable. The Principal reserves the right to reject any or all these persons if their qualifications or experience are, in the Principal's sole opinion, inadequate. The Principal reserves the right to have any person removed from the mine without having to give any reason and without recourse by the Contractor. Senior personnel include supervisory and technical personnel, and shall include a Project Manager, Line senior supervisors, production mining engineer, underground surveyor, safety professionals and underground production geologist.

11.4 Industrial Relations

The Contractor and all its subcontractors must comply with the provisions of the *Labour Act*, 2007 and any other applicable Law regards to labour relations and employment such as the *Employee Compensation Act* 30 of 1941 and the *Immigration Control Act* 7 of 1993.

The Contractor must regularly consult with and appraise the Principal throughout the performance of the Work on an industrial relations issues which may arise and in particular its negotiations of workplace and bargaining agreements.

The Contractor must in the event of any industrial disputes involving the Contractor's workforce at the mine immediately inform the Principal in writing. The Principal retains the right to terminate the Agreement if industrial action affects execution of the Work.

The Principal will not allow any picketing at the Principal's premises or the mine. Before any protected strike, a copy of the strike rules agreement between the Contractor and its employees must be provided to the Principal.

The Contractor shall ensure that all foreign employees have the necessary work permits and visas for them to legally take on employment and reside in Namibia prior to assuming their duties. The Contractor shall be responsible for obtaining any necessary work permits and visas. The Contractor must furnish the Principal with such permits before commencement of duties of any foreign employees.

12 SCHEDULE OF CONTRACT DRAWINGS

The drawings show the general surface layout and the plans of the proposed underground workings to the extent which they have been formulated at the time of preparation of the tender document, and which are based on the Underground Exploration Development for the project. These are to be used for tender purposes. Any detail is subject to change, prior to the award of Tender. These drawings are attached hereto as Part 1 - Section 4.

13 "AS BUILT" DRAWINGS

The Contractor shall provide "as built" drawings of all surface plant installed by it, including buildings and plant on site, electrical and plumbing, and any below ground services. The Contractor shall supply one set of certified PDF electronic drawings to the Principal as soon as reasonably possible after completion of any construction works (Not to exceed 45 days).

All as-built surveys of the underground mine (print and native digital) shall be kept current and provided to the Principal on a minimum basis of monthly or more frequently if specified by the Principal.

14 MINING

In performing the Work, the Contractor shall meet the requirements and have due regard to the guidelines set out below. The Contractor acknowledges that it has made adequate provision in its unit rates to accommodate all the requirements and guidelines set out below.

The Contractor shall be responsible for all aspects of the mining operations.

14.1 General

The Contractor shall submit to the Principal details of his proposed methods of working. The Contractor shall not employ methods of working which are not acceptable to the Principal or applicable statutes or authorities such as the Namibian Ministry of Mines and Energy.

It is a requirement of the Agreement that the Contractor conduct its mining operations in such a way as to reduce, to a practical minimum, both the amount of dilution of ore grade due to waste to maximize the grade of the ore recovered.

The Contractor shall provide for any delays and interruptions caused to its operations by all the activities carried out by the Mine Manager in the collection of data and direction of mining operations with a view to minimizing dilution.

Notwithstanding the Contractor's overall compliance with this Specification, the Principal; may direct the Contractor to modify its operations within the limits of the construction plant available and approved by the Principal, to better achieve these objectives.

Suitable support systems for the various excavation types shall be submitted by the Contractor for approval by the Principal.

14.2 Blasting

The Contractor's supervisor and blaster shall be holders of an appropriate blasting certificate issued under the General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 and the *Explosives Act* 26 of 1956 as amended or other mining law.

The Contractor shall purchase all the explosives it uses in the performance of the Work under this Agreement.

The Contractor shall manage the explosives stock levels on the mine. The Principal shall designate suitable locations for the storage of explosives.

The Contractor shall be responsible for ensuring that the area within the blast security barricades is clear of all personnel during the blasting operations and that all necessary precautions for the proper protection of all persons, the Operation and all property have been taken.

14.3 Explosives Magazine

The Contractor shall supply underground magazines for the storage of all explosives and

accessories required by it to carry out the Operation, if required. The Principal owns and maintains surface magazines for storage of explosives. The Contractor will be allowed to make use of these explosives magazines if there is space. These magazines are located in the location shown on Figure 5-1: General Site Layout

If the Contractor constructs an underground magazine, a suitably qualified magazine master must be appointed by the Contractor. The magazine master so appointed must be legible for such appointment by the Principal as per the General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 read with the Mines, Works and Minerals Ordinance 20 of 1968 as amended and *Explosives Act* 26 of 1956 as amended read with the Regulations (GNR 1604 of 8 September 1972, as amended).

The Principal will obtain and maintain current for the duration of the Operation any license(s) required for the use of these magazines. The Contractor shall display a copy of any such license as required by the General Regulations (Government Notice 143 of 1968): *Minerals (Prospecting and Mining) Act*, 1992 and *Explosives Act* 26 of 1956 as amended read with the Regulations (GNR 1604 of 8 September 1972, as amended).

Provision of the explosives magazines by the Contractor shall include, but not necessarily be limited to, the supply and maintenance of all security; access roadways; fire protection; clean up and disposal of packaging and explosive spillage; and record-keeping associated with the magazines.

Upon the completion of the Works or earlier termination of the Agreement, the Contractor shall hand over to the Principal the underground explosives magazine in a clean and 'workmanlike' condition reflecting fair wear and tear.

Ownership of the underground magazines shall be transferred to the Principal.

15 GEOLOGICAL MAPPING AND DELINEATION OF ORE

In performing the Work, the Contractor shall meet the requirements and have due regard to the guidelines set out below. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate all the requirements and guidelines set out below.

15.1 General

The Principal will be responsible for carrying out all primary survey and setting out work for the performance of the Works. The Contractor shall be responsible for maintenance of line and grade in underground development and stoping operations.

15.2 Geological and Exploration Requirements

Geological mapping of all excavations (every development face) will be carried out by the Contractor and incorporated into a digital model by the Contractor production geologist. Face samples (chip and muck as appropriate) will also be undertaken using an approved protocol for every face which is potentially in ore. The direction of the development strike drives in ore shall be provided by the production geologist via approved written instruction process to the shift supervisor and the underground development driller. The Contractor shall allow for any time lost due to this cause. The contractor will deliver all properly tagged samples and core to the Principal's exploration camp.

Assaying of face samples and grade control drilling core will be conducted on site by the Principal's lab. The Principal's lab will cut and prepare the samples (both face and core samples) and store the core and reject material. The turn-around time for assay results should be expected within 48 hours of delivery of samples to the lab.

The Contractor will follow the sampling protocol agreed to by the Principal. The Contractor will not permit samples to linger in the mine. Samples are to be delivered to the Principal's lab no later than the following shift.

15.3 Ore Quality, Overbreak and Dilution Determination

The Contractor will be responsible for the determination and reporting to the Principal the planned vs actual stoping shapes, grades, overbreak and dilution This may be accomplished using remote cavity scanning preventing exposure of personnel to unsupported excavations. Contractor to supply equipment and tools and personnel to perform the surveying functions and reporting functions. The equipment shall be approved by the Principal.

The contractor shall remove, from ore, all steel that may affect the processing plant before delivering ore to the plant. The contractor will be liable for the cost of damage caused by steel delivered to the processing plant.

The Principal may direct the Contractor to modify its operations if, in the Principal's opinion the overbreak and dilution are such that the quality of the ore fed to the plant is compromised.

16 AVAILABILITY OF DECLINES

It should be noted that access to the North Shoot Decline and North Shoot Portal will be available as of June 1 2025, and is not expected to face any interruptions caused by external factors, including open pit mining. The Main Shoot decline and portal shall be available for mining as of April 1st 2025, through Oct 31st 2025. At this stage a 6-month delay will be required in the decline due to open pit pushbacks. It is anticipated that access will be reestablished as of May 1st, 2026. No further access impairments are expected throughout the remaining scope of work.

The bidding party should be aware that these are approximate timelines and may be subject to change.

17 PLANNING AND SCHEDULING

In performing the Operation, the Contractor shall meet the requirements and have regard for the guidelines set out below. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate all the requirements and guidelines set out below.

The Principal and the Contractor will agree to a general mining plan and schedule at least 1 week in advance of each month. Such a mining plan and schedule will be developed by the Contractor and will include:

a) Location and proposed advance of all ore and waste development ends with quantities;

b) Location and approximate dimension of all stopes to be mined;

c) Estimated tonnage of ore to be mined during the period; and

d) Estimated meters of core holes to be drilled during the period.

The Principal reserves the right to alter this plan and schedule at any time.

The Contractor shall conduct mining operations in accordance with these mining plans and schedules.

18 DRAINAGE AND DE-WATERING

In performing the Work, the Contractor shall meet the requirements and have due regard to guidelines set out below. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate all the requirements and guidelines set out below.

The Contractor shall divert all drainage channels and water courses with catch drains to prevent water flowing into the portal. The water shall be diverted to locations as directed by the Principal to ensure that water runs into the major catchment drains.

The Contractor shall be responsible for the cleaning of these catch drains and any pre-existing catch drains for the duration of the Operation.

The contractor shall only deliver clear water to the pit sumps following an oils separation process by the Contractor and after treating and recirculating/reuse of the water.

The Contractor is responsible for all dewatering and water management within the UG mine.

The Principal shall be responsible for the development of surface drainage within the pit outside the portals and the UG infrastructure area. A plan/map will be signed by both parties.

19 DUST CONTROL

In performing the Work, the Contractor shall ensure that dust suppression in all UG working areas within its site is always adequate for safe and efficient conduct of the Work. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate such dust suppression.

20 LIGHTING

In performing the Work, the Contractor shall meet the requirements and have due regard to the guidelines set out below. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate all the requirements and guidelines set out below.

The Contractor shall ensure that lighting in all active contractor working areas on surface and underground is always adequate for the safe performance of the Work. This will include the supply, maintenance and servicing of permanent or mobile lighting sets including power supply installations as required.

The Contractor shall ensure that all its lighting arrangements are installed and used so as not to create undue environmental or social nuisance.

If in the opinion of the Principal lighting is inadequate for safe operation or is providing undue environmental or social impact, the Principal may direct that the Contractor modify its lighting or operating arrangements.

21 COMMUNICATIONS

In performing the Work, the Contractor shall meet the requirements and have due regard to the guidelines set out below. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate all the requirements and guidelines set out below.

The Contractor shall provide all internal telephone / network/leaky feeder requirements as may be required within the Contractor's administration offices and workshops on surface and underground.

The Principal shall maintain 2-way radio communication on all equipment, vehicles and personnel in its operations. Interaction between the Contractor’s employees and the Principal will be critical. The Contractor must therefore ensure an appropriate and adequate means of communication with the Principal. This shall involve use of 2-way radios and mobile communication. The system adopted by the Contractor must be compatible with the Principal’s emergency response procedure.

22 SURVEY

In performing the Work, the Contractor shall meet the requirements and have regard for to the guidelines set out below. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate all the requirements and guidelines set out below.

22.1 Principal's Survey Activities

The Principal shall appoint a surveyor who shall have defined authority over, and responsibility for ensuring that the requirements of the Agreement with respect to surveying are implemented and maintained.

The Principal will be responsible for the establishment of control stations around the mine and on the pit rims.

22.2 Contractor's Survey Responsibilities

The Contractor's survey responsibilities shall include, but not be limited to, the following:

a) Installing all underground survey lasers or similar required for maintaining direction and grade;

b) Construct and provide survey technical direction memos for layout of long hole stoping and development activities (where under survey control). Technical survey memorandum shall be approved by the Principal to underground mining activities;

c) Setting out and control of exploration drilling and or grade control drilling; and

d) All other survey activities necessary for carrying out the Work.

The Contractor shall keep and maintain proper and accurate survey field records, calculations and data relating to the surveys which shall be available for inspection and checking by the Principal at all reasonable times. This data shall be in electronic format and hard copy.

The Contractor shall ensure that baseline controls stations established by the Principal are not disturbed. If a baseline control station is damaged or is likely to be disturbed by the Contractor's performance of the Works, it shall immediately notify the Principal and repair and replace such control station.

23 PRODUCTION REQUIREMENTS

In performing the Work, the Contractor shall meet the requirements and have due regard to the guidelines set out below. The Contractor acknowledges that it has made adequate allowance in its unit rates to accommodate all the requirements and guidelines set out below.

23.1 Overall Requirements

The Contractor shall generally plan, Engineer and schedule the Work to meet the overall production plans.

The Principal may direct the Contractor to change the rate of mining shown in Part 2 – Section 3, Schedule of Contract Quantities.

No mining may be undertaken without the issuing of approved written technical instructions by the Contractor to the shift supervisor and Contractor operational personnel. Such instructions may take the form of survey memorandum, Mining Engineering instructions or plans or geological instructions in the case of ore drive directions. Verbal and sketches or plans not signed by the whole technical team shall not be acceptable.

23.2 Monthly Production Plans

The Contractor shall determine monthly production plans in respect of each month to meet the overall production plan. Prior to the commencement of each month the Contractor shall submit to the Principal a production plan for that month with a forecast of production for the following 2 months. These production plans may include, but not necessarily be limited to:

a) The location of all development ends to be advanced;

b) The location of all stopes to be mined;

c) Details of the sequence of extraction;

d) The general direction of mining;

e) The estimated tonnage of ore, waste and marginal grade material to be mined; and

f) Estimated meters of core holes to be drilled during the periods.

24 PROGRESS REPORTING

In performing the Work, the Contractor shall meet the requirements and have due regard to the guidelines set out below. The Contractor acknowledges that it has made adequate provision in its unit rates to accommodate all the requirements and guidelines set out below.

24.1 General

All reports shall be presented in a format so as to minimize the duplication of recording and reporting of data to the Principal. The Principal may direct the Contractor to modify its reporting procedures and formats to satisfy this requirement.

Where the Principal considers it an advantage, data shall be presented in a form suitable for direct downloading onto a personal computer or other appropriate work system.

24.2 Daily Reporting

The Contractor shall present to the Principal, at no later than 08h00 hours a daily report covering the previous twenty-four (24) hours up to 07h00, or the end of the last night shift, which includes, but is not necessarily limited to, details of the Contractor's development, stoping and exploration drilling activities during the previous period including:

a) A report on near misses, environmental incidents, safety incidents, and Serious Incidents with Potential Fatalities;

b) For each excavating unit (LHD), details of production classification of material, and the source (waste development, reef development and/or stope, and destination);

c) For each development unit / team, the location and working place for each shift together with the number of holes and length of holes;

d) For each blast estimated tonnage of each type of material, total explosives charged in each type of material, date and time of the blast and reporting of misfires and action taken by the Contractor;

e) A schedule of all construction plant on-site showing for each item the hours worked, available non-utilized times and downtime, together with the reason for it not being employed and expected date of return of unserviceable item;

f) A record of authorized hourly hire work or daywork carried out in the previous day; and

g) Personnel hours expended versus planned by work group (actual workforce vs plan, by department).

Acceptance of this report shall not constitute approval by the Principal of the hourly hire or daywork.

The daily reports shall be presented in a format which shows daily activities with weekly and monthly tabulation as appropriate.

24.3 Weekly Reporting

Upon the expiration of each period of 1 week commencing at 07h00 hours on the first Monday after the Contractor receives Notice to Proceed, the Contactor shall prepare a weekly progress report including, but not necessarily limited to, the following information;

a) A site safety report for the week;

b) A progress report including planned and actual face advances for the week, and cumulative for the month, for stoping, reef development and waste development and exploration drilling. Variations from the expected month to date as per plan shall be identified and the implications of these variations on the overall schedule addressed;

c) A report on construction plant showing planned and actual operating hours for individual terms for the week, variation to plans for the return of construction plant to serviceability or replacement; and

d) A workforce record listing staff and wages personnel by category including number of employees ceasing and commencing work during the week.

This report shall be submitted no later than 10h00 on the Monday of each week.

24.4 Monthly Reporting

Within 2 working days following the end of each month the Contractor shall present to the Principal a monthly report including, but not necessarily limited to, the following information:

a) A site safety report for the month including a summary of all accidents and safety records, details of the nature and investigation of accidents resulting in lost time and Person-hours lost and worked by classification. Cumulative statistics shall also be presented for the calendar year and the Contract;

b) A monthly report including planned and actual total advances for the month and cumulative for the calendar year and the Contract, for stoping, reef development and waste development. Variations shall be identified and the implications of these variations on the overall schedule addressed; and

c) A monthly report on the quality assurance plan for the Work including details of quality audits and management reviews, investigations of non-conformance of products or services with the Specification and progress of corrective action being taken on such non- conformances or required as a result of audits by the Principal.

25 PRICING, COSTS AND PAYMENT

25.1 Costs

The Contractor must propose lump sum costs for each RFP that shall include the cost of performing all things necessary for carrying out and completing the Work. The Contractor shall supply sufficient details of the composition of its unit rates including any fixed costs or variable rates.

The lump sum costs are to include all incidentals associated with or necessary for the execution of the Work. These include but are not limited to the following:

- Compliance with all Namibian legal requirements including the necessary legal appointments;
- Insurance costs;
- Any taxes applicable;
- Labour costs to include all benefits and allowances Contractor will remunerate its employees;
- Compliance with the requirements of the Principal's Occupational Health and Hygiene, Environmental and Safety Policies and management plans;
- Induction Programme;
- Instruction and Training Programme;
- Medical surveillance;
- Maintenance of the Contractor's fleet;
- Fuel, oils, lubes, tires, ground engaging tools as required by the Contractor to perform the Work;
- Any rise and fall formula on the rates; and
- Any dayworks.

25.2 Variation and Review of Work and Rates

If either party wishes to effect a variation of the works or unit rates, it must give written notice of the details of the proposed variation to the other Party.

Variations can be due to but not limited to changes in the mine design, changes to the Contractor's equipment and employees and may or may not result in a review of the unit rates.

25.3 Payment Terms

Within 7 days after the end of each month the Contractor must issue the Principal with a claim and statement for the previous month detailing the calculation and any quantities. The claim must be fully substantiated with evidence of any costs incurred.

Following receipt of the claim and statement, the Principal will within 7 days verify and determine the amount payable to the Contractor and issue a payment certificate to the Contractor setting out the undisputed amount payable to the Contractor for the month less any monies due to the Principal from the Contractor.

The Contractor must then issue the Principal with a Tax Invoice and statement in respect of the items and amounts on the payment certificate within 2 business days.

Payment for the Works will be effected within 30 days from the date of the Tax Invoice.

Any disputed amounts claimed by the Contractor will be paid to the Contractor within 30 days of it being resolved. No interest will be claimed on any disputed amounts. The Principal will require credit notes for any amounts erroneously included in the Tax Invoice.

All payments to be made to the Contractor shall be in Namibian Dollars (NAD) into a bank account held in Namibia.

26 TERMINATION, FORCE MAJEURE AND HARDSHIPS

26.1 Termination

The Contractor must perform the Work for the duration of the Term. The Agreement will terminate on the termination date unless extended in writing by both Parties.

The Principal may terminate the Agreement for whatever reason by giving 60 days written notice. The Contractor may terminate this agreement with 60-days written notice after the initial scope has been deemed to be complete.

On termination of the Agreement, the Contractor shall vacate the mine within 30 days of date of termination. If the Contractor fails to or does not remove or clean or make good any area of the Mine to be handed over to the Principal, the Principal may remove, clean, repair, make good, restore any area or facility and invoice the Contractor for the costs incurred.

The Principal may also terminate the Agreement in the event of default by the Contractor.

26.2 Force Majeure

No party shall be considered to be in default in the performance of the Work to the extent that such performance is delayed or prevented by Force Majeure.

Force Majeure shall mean circumstances beyond the reasonable control of either party and shall include but not limited to war, revolution, invasion, riot, civil commotion, mob violence, sabotage, military, epidemic and quarantine, strike, lockout, industrial action or go slow and sympathy strikes.

The mere shortage of labour, materials, Contractor's lack of funding shall not constitute force majeure.

The Agreement may terminate after 1 month of the persistence of the force majeure event.

PART 1 – SECTION 2
SCHEDULE OF CONTRACT QUANTITIES

This Schedule will be included in the Contract and will detail the Final Schedule of Quantities. See Table 3-8: Proposed Underground Development and Exploration Mining Schedule.

PART 1 - SECTION 3
CONTRACT PRICING FORM

This Schedule will be included in the Contract and will detail the Final Schedule of Pricing.

PART 1 – SECTION 4
SCHEDULE OF CONTRACT DRAWINGS

This Schedule will be included in the Contract and will detail the Final Contract Drawings. Provisional drawings are included here.

PART 1 - SECTION 4 DRAWINGS

1 GENERAL

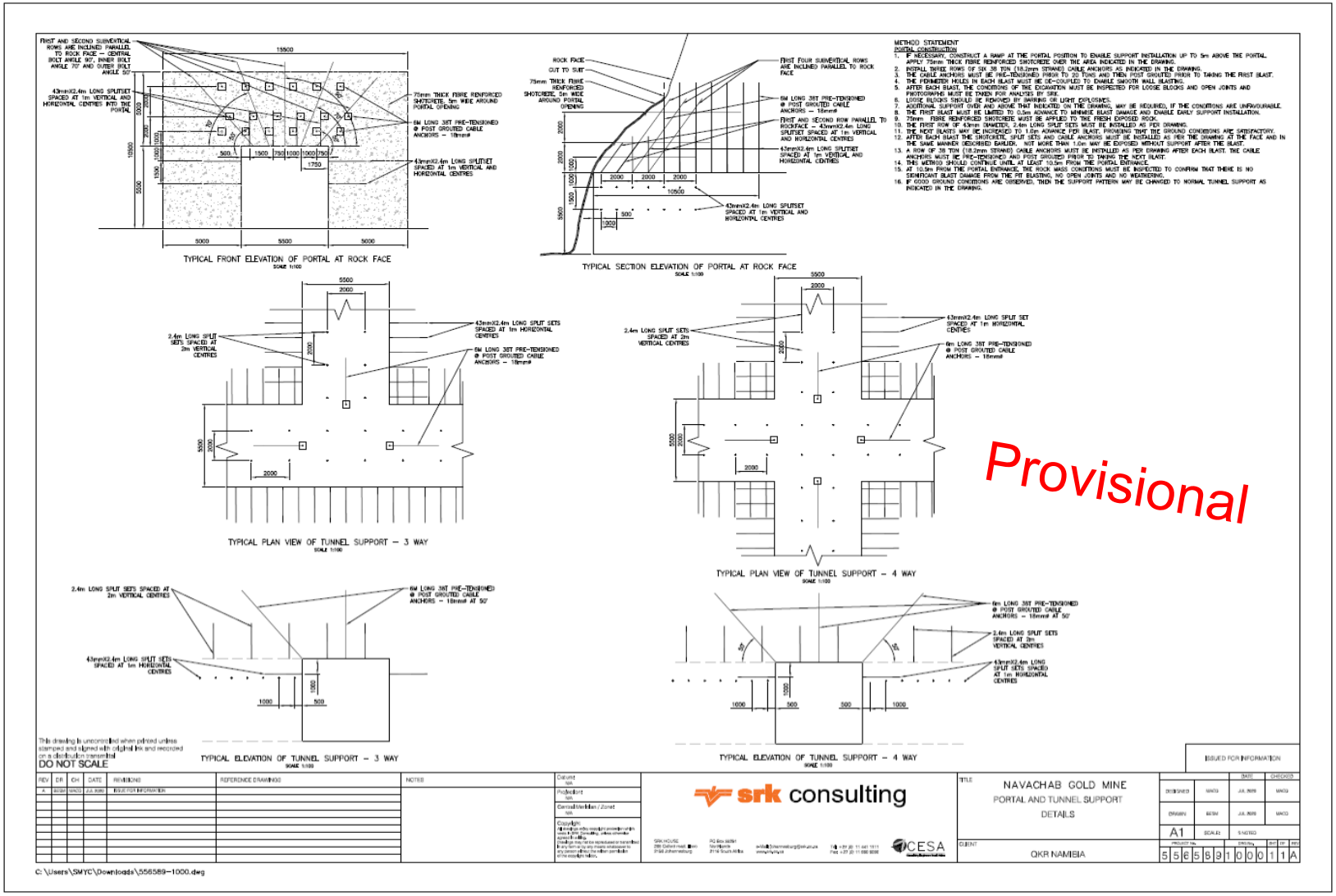
This List of Drawings will form part of the Contract Documents, and the Drawings will be modified and updated to reflect the most current information as available at the time of entering the Agreement.

2 LIST OF DRAWINGS

Drawing Number	Revision	Format	Description
SRK Drawing 556589–1000	B	DWG/PDF	Provisional Portal and Tunnel Support Details
Navachab Drawing COMPOSITE_PIT2020_PIT13-Default-3D-24	0	PDF	Site Plan – Navachab Gold Mine- January 2020
QKRNAV_00100		PDF	Navachab Mine Put with Contractor laydown and Build Area
QKRNAV_00101		PDF	Navachab Mine Put with Contractor Lay down and Build Area
QKRNAV_00102		PDF	Navachab Mine Pit with Haul Routes for Ore and Waste
QKRNAV_00103		PDF	Navachab Mine Underground Exploration main Portal Location
QKRNAV_00104		PDF	Navachab Mine Pit Layout
QKRNAV_00105		PDF	Navachab Mine Pit with a portion of underground development and resource outlines
QKRNAV_00106		PDF	Navachab Mine Pit Layout with Underground overlayed
QKRNAV_00107		PDF	Navachab Mine Site Layout
QKRNAV_00108		PDF	Navachab Mine, Underground Exploration North Portal Location
QKRNAV_00109		PDF	Navachab Mine, Underground Exploration north Portal Location
QKRNAV_00110		PDF	Navachab Mine, Underground Exploration North Portal Location

APPENDIX A1

Provisional Portal and Tunnel Support Details
SRK Drawing 556589–1000 Rev B


TYPICAL FRONT ELEVATION OF PORTAL AT ROCK FACE
TYPICAL SECTION ELEVATION OF PORTAL AT ROCK FACE
METHOD STATEMENT
PORTAL CONSTRUCTION
TYPICAL PLAN VIEW OF TUNNEL SUPPORT – 3 WAY
TYPICAL PLAN VIEW OF TUNNEL SUPPORT – 4 WAY
Provisional
TYPICAL ELEVATION OF TUNNEL SUPPORT – 3 WAY
TYPICAL ELEVATION OF TUNNEL SUPPORT – 4 WAY
DO NOT SCALE
ISSUED FOR INFORMATION
srk consulting
NAVACHAB GOLD MINE
PORTAL AND TUNNEL SUPPORT DETAILS
QKR NAMIBIA
A1
55€581100011A
C:\Users\SMYC\Downloads\556589-1000.dwg

APPENDIX A2

SRK Navachab Full Underground Mine Geotechnical Study

APPENDIX A3

SRK Navachab Underground Mine Readiness Plan – Groundwater

APPENDIX A4

Responsibility Matrix

APPENDIX A5

Nondisclosure Agreement