

VITA ROYAL HOUSE
TRADITIONAL AUTHORITY

22 MAY 2022

Ehomba Head Man
Mr. Jan N. Van Der Merwe P.O.Box 254, OPUWO
081 379 4709

Date: 3 March 2022

THE CONDITION ON WHICH THE VITA ROYAL HOUSE IS GIVING CONSENT LETTER FOR
EXPLORATION OR MINING ACTIVITIES IN THE AREA UNDER ITS JURISDICTION TO COMPANY
NAME : DALNEK MINERALS (PTY) LTD

Consultations and meetings held by the community with all the traditional leadership that resides in the area under the mapped or the zoned off area, have made this conditions below to protect their areas and to fully benefit from the minerals that come from their natural resources.

These conditions must be agreed upon and signed by any company applying for the exclusive prospecting license that will eventually grant the company a mining license if the exploration finds mineral of high value in the area.

Conditions

1. The establishment of the community engagement committee of seven members who will serve as board of trustees of the community trust. The committee will be the link between the company, traditional leadership and community, to deal with economic, cultural and social issues. These committee will be engaged during the exploration and mining period if the mines opens.
2. Royalty percentage shares in the mining project during exploration and during mining process of eight percent (8%) of the profit to be paid in the community trust account on each selling circle.
3. Opening of the Community Trust Account.
4. Payment of the proposed compensation for the cleared land as to the commercial area rate to the community trust account.
5. Employment of up to 85% locals and previously disadvantage people, provided they have the necessarily skills required, and have undergone the necessary employment interviews by the Mining company's HR team, recommendations can come from the local surrounding villages.

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T.KK

6. The exploring or mining company will be responsible and liable for any negative impacts from the chemicals that would be used during the operation of the mining period and after on the environment, animal and human.
 7. The Mining Company will allocate a yearly budget for Social responsibility initiatives and disbursement thereof will be implemented in consultation with community input and participation.
 8. Movement of the residents of the villagers from their areas to make way for the exploration and mining activities must be compensated fairly.
 9. A planned in-service training to capacitate the locals must be put in place to train the youth of the surrounding areas to master the operation of the necessary machineries in the first 10 years if mining activities will take place. *Any disputes and disagreement or bridge of contract in any issue must be referred to an official arbitrator to resolved.*
- The conditions above will be binding and are on which the consent is granted and must be signed by both parties.

The Headman AT THE AREA

Van der Merwe Jan N.

ID No: *53031000536*

CELL: *0813794709*

Signature: *[Signature]* Date

Kaendapete

Witness Name.....

Signature: *E. K*

TEL: *0813443663*

Director of Mining Company

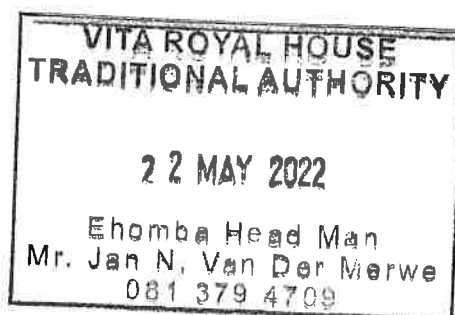
DALETON ASHIKOTO

ID no: *71113 001 00*

Signature: *[Signature]* Date:

Witness Name: *F. K. Kuyungu*

Signature: *[Signature]*



22 May 2022



REPUBLIC OF NAMIBIA

MINISTRY OF MINES AND ENERGY

Tel.: +264 61 284-8111
Fax: +264 61 238643 / 220386
E-mail: info@mme.gov.na
Website: www.mme.gov.na

1 Aviation Road
Private Bag 13297
WINDHOEK

Enquiries: Mrs. F. Flavianu

Reference No: 14/2/4/1/8685

The Directors
Dalnek Minerals (Pty) Ltd
P. O. Box 2737
Windhoek



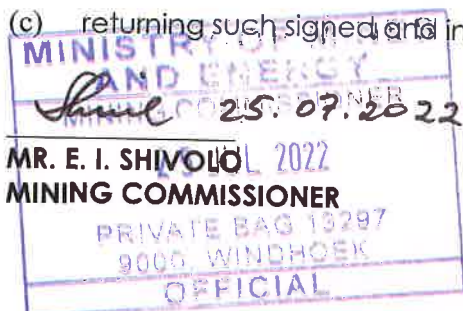
NOTICE TO APPLICANT OF PREPAREDNESS TO GRANT APPLICATION FOR EXCLUSIVE PROSPECTING LICENCE No. 8685.

In terms of Section 48(4) of the Minerals (Prospecting and Mining) Act, No. 33 of 1992, notice is hereby given that the Minister is prepared to grant your new application, lodged on 19 November 2021, for an exclusive prospecting licence in respect of Dimension Stone, Base and Rare Metals, Industrial Minerals and Precious Metals Groups of Minerals over an area of land as shown in the attached diagrams, subject to the terms and conditions contained in the attached schedule, which terms and conditions supplement the terms, conditions and provisions of the said Act.

Your attention is drawn to the provisions of Section 48(5) of the said Act, which require that within one (1) month from the date of this notice, written acceptance of such terms and conditions must be received by the Commissioner, failing which the application will be deemed to have lapsed.

Kindly acknowledge your acceptance of such terms and conditions by-

- completing the section at the bottom of this notice;
- initialing each page of the schedule and the diagrams; and
- returning such signed and initialed documents to the Commissioner.



**TO THE MINING COMMISSIONER
MINISTRY OF MINES AND ENERGY**

I, DACTON ASHIKOTO (name of person) in my capacity as applicant/duly authorized officer/approved accredited agent (please delete titles not relevant), hereby accept the supplementary terms and conditions referred to in this notice and contained in the attached schedule which are to be imposed on the grant of the application for exclusive prospecting licence herein referred to.


Signed

26-July 2022
Date

Capacity..... Director
(Applicant /authorized officer of applicant if a company/approved accredited agent of a non-resident applicant who is a natural person/authorized officer of such accredited agent).

SCHEDULE OF SUPPLEMENTARY TERMS AND CONDITIONS TO BE IMPOSED ON THE GRANT OF AN EXCLUSIVE PROSPECTING LICENCE No. 8685 IN FAVOUR OF DALNEK MINERALS (PTY) LTD.

PART 1 - GENERAL

1. The exclusive prospecting licence shall endure for a period of three (3) years reckoned from the date of issue of the Environmental Clearance Certificate unless it is abandoned in terms of Section 54 of the Minerals (Prospecting and Mining) Act, 1992, (hereinafter "the Act") or cancelled in terms of Section 55 of the Act or on application made to the Minister in terms of section 72 of the Act, it is renewed by the Minister for any further period or periods.
2. In consideration of the rights hereby granted, the holder of the exclusive prospecting licence shall pay to the Commissioner for the benefit of the State Revenue Fund, such licence fee as may from time to time be prescribed in terms of Section 123 of the Act, it being recorded that the annual licence fee prescribed in relation to the licence at the time of its issue shall be N\$15000.00 payable annually on or before each anniversary date of the date of issue of the licence.
3. In the event that the prescribed licence fee changes, such change shall become effective on the next anniversary date of the date of issue of the licence subsequent to such change.
4. The Minister may, in the interest of the reasonable development of the prospecting operations, impose from time to time such additional terms and conditions as he may deem fit.

PART 2 - WORK PROGRAMME AND OBLIGATIONS

5. The holder of the exclusive prospecting licence shall-
 - 5.1 commence with, and thereafter continue without undue interruption or delay, prospecting operations immediately in substantial conformity with the proposed work programme, schedule and budget which accompanied the original application for the licence and which served as motivation of the granting thereof;
 - 5.2 where any material deviation of such work programme, schedule and budget is in the opinion of the holder of the licence, necessitated by the nature of the results of prospecting operations (but specifically excluding any circumstances of Vis Major provided for in terms of Section 56 of the Act), apply in writing to the Minister for approval of the revision of such work programme, schedule and budget in terms of Section 75 of the Act; and
 - 5.3 execute such additional work programme and expend such additional expenditure within a specified period of time as may be imposed by the Minister from time to time.
 - 5.4 ensure that, all funds raised anywhere and exclusively in respect of this licence shall be expended on the licence and all/any activities relating thereto and, to the extent such funds are to be expended directly in Namibia, the Licence Holder shall ensure such funds are remitted to a reputable financial institution in Namibia.

- 5.5 make oral presentation to the Ministry of Mines and Energy after the first year of the licence tenure.

PART 3 – ENVIRONMENT

6. The holder of the **Notice of preparedness to grant application for Exclusive Prospecting Licence** shall undertake an Environmental Impact Assessment study over the area covered by the application, formulate and forward through the Mining Commissioner's office to the Ministry of Environment, Forestry and Tourism for approval an Environmental Management Plan Report (EMPR) within twelve (12) months from the date of written acceptance of such terms and conditions before issuance of Exclusive prospecting Licence before issuance of Exclusive Prospecting Licence.
7. The holder of exclusive prospecting licence shall observe any requirements, limitations or prohibitions on his or her prospecting operations as may in the interest of the environmental protection, be imposed by the Minister.

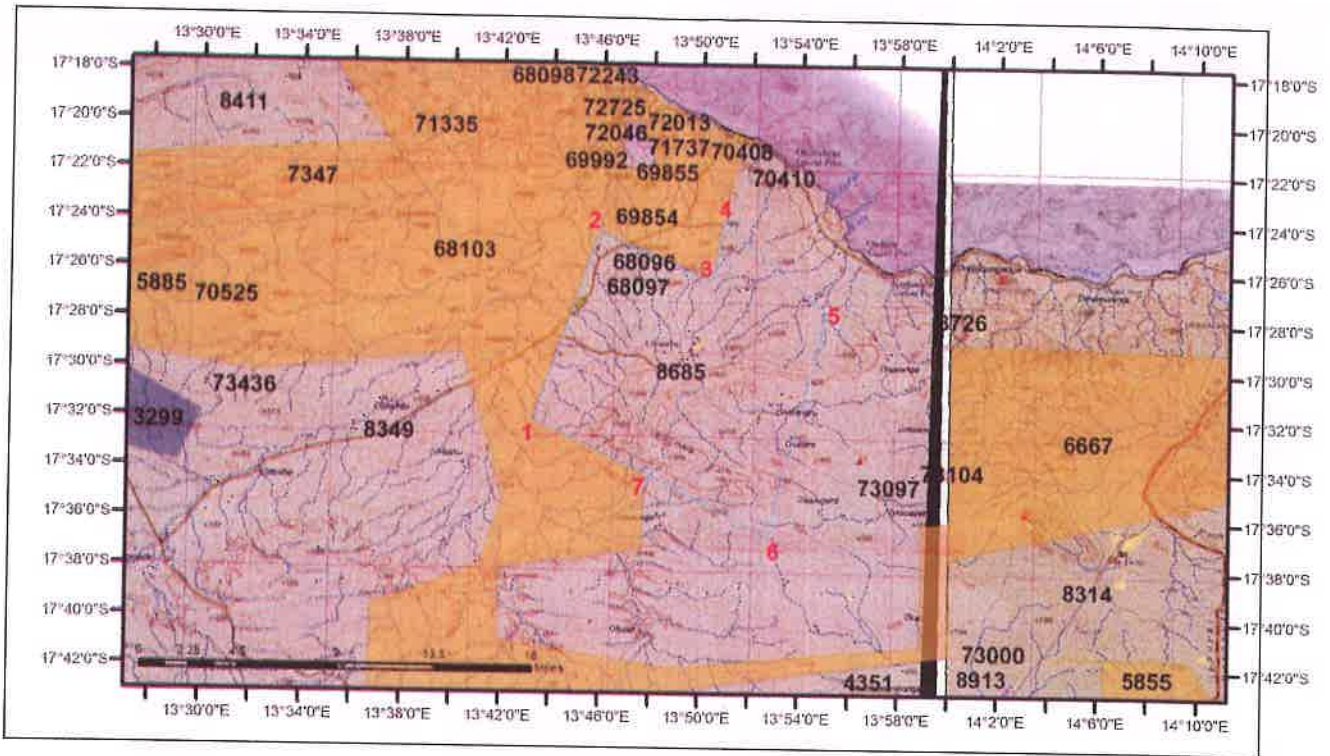
The stamp is rectangular with a double border. The text inside reads: 'MINISTRY OF MINES AND ENERGY' at the top, 'MINING COMMISSIONER' below it, a signature 'Shuil' in the middle, and '25 JUL 2022' in large letters below the signature. At the bottom, it says 'OFFICIAL'. To the right of the signature, there is a smaller stamp that reads 'BAG 13297' and 'WINDHOEK'.

MR. E. I. SHIVOLO
MINING COMMISSIONER

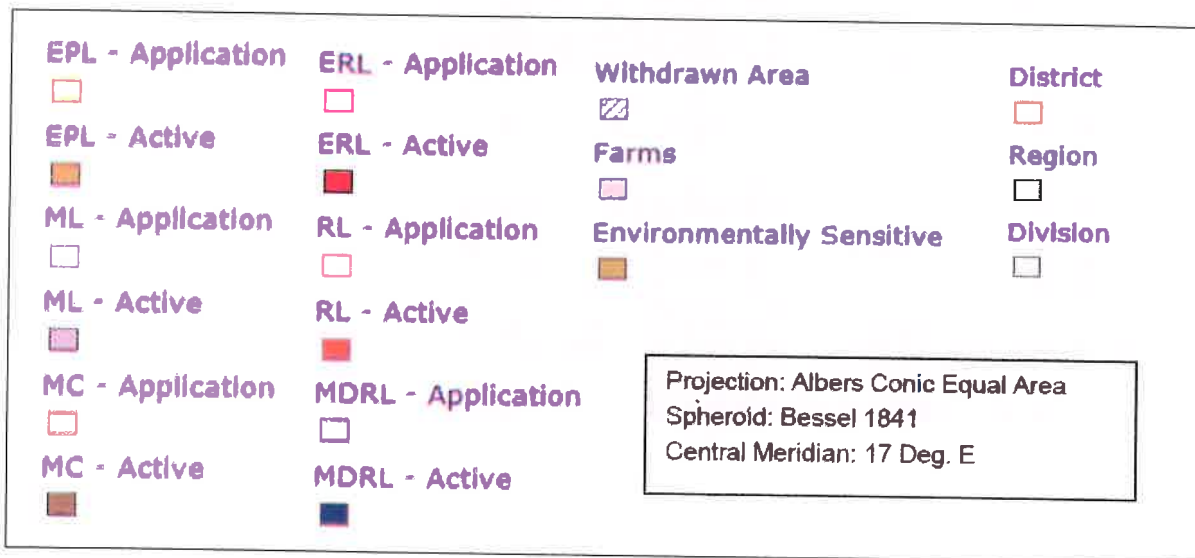
A small, handwritten mark or signature in the bottom right corner of the page.

DIAGRAM – EXCLUSIVE PROSPECTING LICENCE – 8685

Issued in favour of: Dalnek Minerals (Pty) Ltd



Latitude and Longitude lines refer to the Bessel 1841 Spheroid



AREA: **29544.7916 Hectares**

MAP(S):

LOCALITY:

- *Regions(s): **Kunene**
- *Magisterial District(s): **Opuwo**
- *Registration Division(s): **A**

B

Order	Lat Deg	Lat Min	Lat Sec		Long Deg	Long Min	Long Sec	
1	- 17	32	3.00	S	13	43	17.00	E
2	- 17	24	29.00	S	13	45	54.00	E
3	- 17	26	24.00	S	13	50	25.00	E
4	- 17	23	59.00	S	13	50	54.00	E
5	- 17	27	40.00	S	13	55	2.00	E
6	- 17	36	42.00	S	13	52	44.00	E
7	- 17	34	9.00	S	13	47	47.00	E

Certified by: *Swil*
Mining Commissioner

Date Stamp

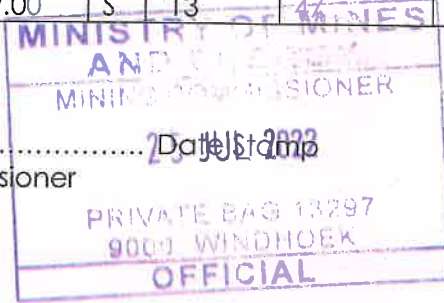
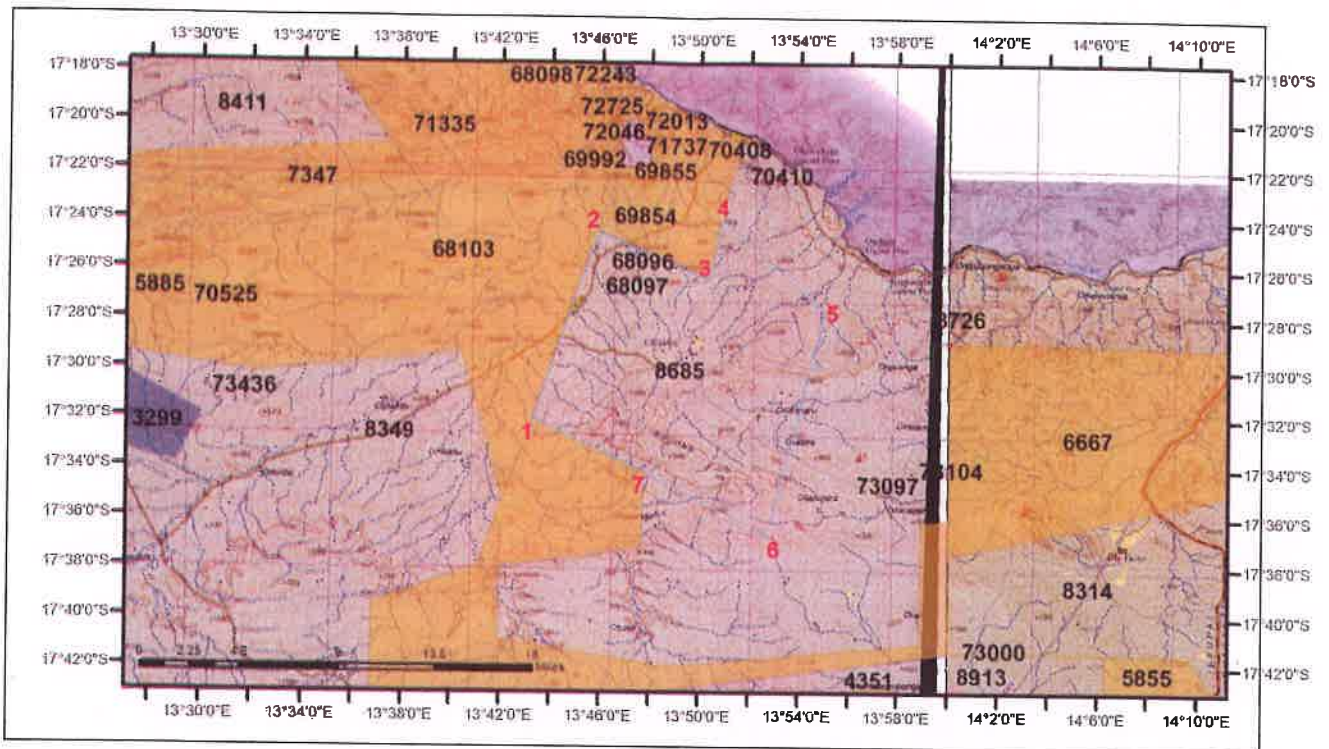
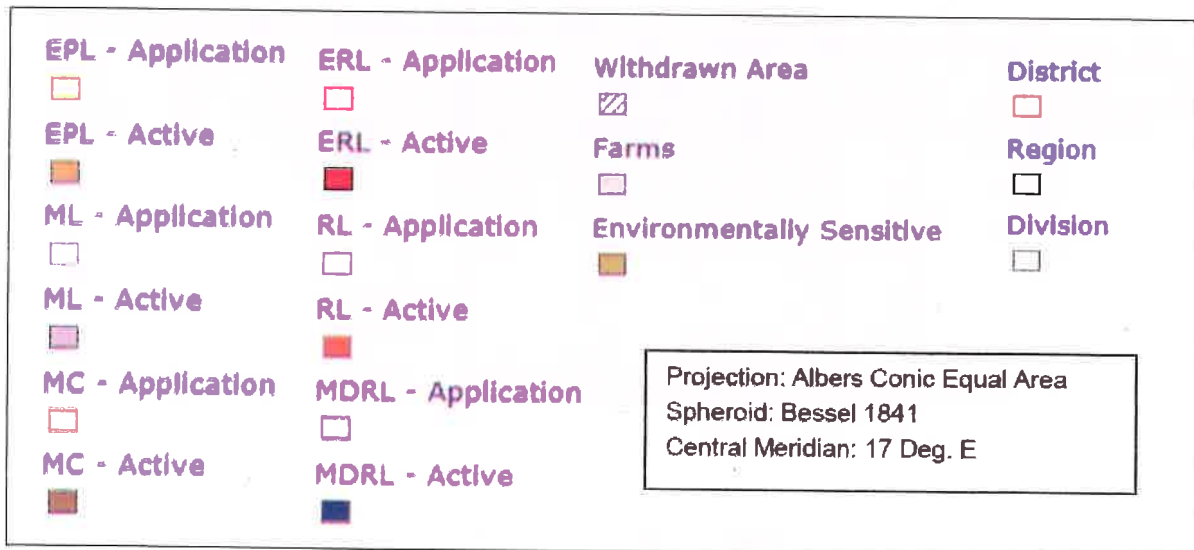


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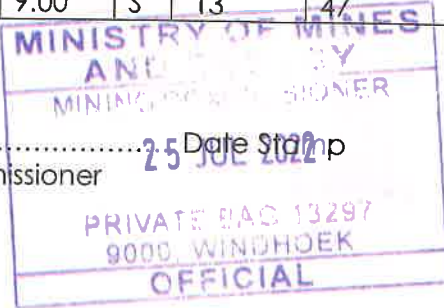
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7	- 17	34	9.00	S	13	47	47.00	E

Certified by: *Shue* Date Stamp
Mining Commissioner



[Handwritten mark]