



REPUBLIC OF NAMIBIA

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PRO-FORMA ENVIRONMENTAL CONTRACT

WHEREAS the Applicant/ Company referred to below, has been notified under section 48(4) of the Minerals (prospecting and Mining) Act, 1992 that the Minister of Mines and Energy is prepared to grant the applicant **Mining Claims** subject to certain terms and conditions and;

WHEREAS such terms and conditions include the condition precedent that the applicant enters into an Environmental Contract with the Government of Namibia;

IT is hereby agreed as follows:

1. PARTIES.

The parties to this contract are: **VALMET TRADING CC** (hereinafter referred to as the "Holder") being the holder of Non-Exclusive Prospecting Licence **9269** Mining Claims **73106 and 73107**

on the one hand, and **THE GOVERNMENT OF NAMIBIA**
(Hereinafter referred to as "the Government")

duly represented by:

THE MINISTRY OF ENVIRONMENT, FORESTRY & TOURISM (MEFT)
and **THE MINISTRY OF MINES & ENERGY (MME)**

on the other.

2. GENERAL OBLIGATIONS.

- 2.1 The provisions contained in this contract are in addition to and do not detract from any obligations which the Holder may have under the Minerals (Prospecting and Mining) Act, 1992 (the Act).
- 2.2 The Holder recognises that its prospecting / mining operations may have significant impacts on the environment. Accordingly the Holder undertakes that during the course of its operations it will take every practicable step necessary to ensure the mitigation of such impacts. In doing so it will liaise with the MEFT and MME as provided for in 3.3 and 4 below.
- 2.3 In particular the Holder will undertake necessary and adequate steps to ensure that environmental damage is reduced to a minimum and prevented insofar, as is practicable.

5

- 2.4 Should the Holder not carry out its environmental obligations it shall be liable for the environmental damage that may result. In this regard the Government reserves the right to:
- 2.4.1 demand at any time financial or other guarantees to restore the environment or mitigate environmental damage which has, or which may occur, as a result of the Holder's activities;
 - 2.4.2 itself undertake such mitigatory or restorative measures and to recover the costs thereof from the Holder;
 - 2.4.3 claim compensation for environmental damage, which may have been brought about by the Holder's activities.
- 2.5 The Holder shall on completion or suspension of its operations, ensure that the impact on the environment is minimised and that every reasonable and practicable step is undertaken to ensure that the environment is left in a reasonable state. The provisions of clause 2.4 apply mutatis mutandis to environmental damage evident after prospecting; mining or other operations have been suspended or completed.
- 2.6 The Holder acknowledges that should it apply for a mining licence in consequence of its prospecting or other operations, it will have to comply with Namibia's National Environmental Assessment Policy (Directorate of Environmental Affairs, Jan, 1995) and that this will entail the carrying out of an Environmental Assessment (EA).

3. THE ENVIRONMENTAL CONDITIONS

- 3.1 In accordance with section 68(f) of the Act, which provides that an application for a licence shall contain particulars of the existing condition of the environment, an estimate of the effect which the proposed operations may have, and the proposed steps to be taken to prevent or minimise such effect, the Holder has attached Environmental Conditions marked Appendix A.
- 3.2 The Holder acknowledges that once the MEFT and MME has determined that the information furnished in Appendix A is satisfactory, it will form part of this contract.
- 3.3 The Holder warrants that the information contained in Appendix A is to the best of its knowledge and belief true and correct and that it will notify the Government of any material changes therein. Should there be such material changes, the Government reserves the right to re-negotiate the terms and conditions of this agreement.

4. COMPLIANCE AND NOTIFICATION

- 4.1 The Holder acknowledges that the reports, which it is obliged to furnish to the MME (which is provided for in the notice from the office of the Mining Commissioner under section 48(4) of the Act) will include an Environmental Report.
- 4.2 The Holder acknowledges that officials from the MME and/or the MEFT may at any time conduct a compliance and/or performance inspection of its operations.
- 4.3 The Holder will keep records of its environmental performance and make these available to the officials referred to in 4.2.

SIGNED AT WINDHOEK on this 10th day of AUGUST 2023

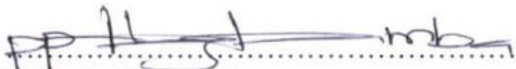
For the Holder:
(duly authorised thereto)


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For the Government of Namibia:

.....
Mr Timoteus Mufeti
Environmental Commissioner
Ministry of Environment, Forestry and Tourism

and


.....
Ms Isabella Chirchir
Mining Commissioner
Ministry of Mines and Energy

21



REPUBLIC OF NAMIBIA

ENVIRONMENTAL QUESTIONNAIRE FOR MINING CLAIMS IN NAMIBIA

BEING APPENDIX A TO THE ENVIRONMENTAL CONTRACT

1. BACKGROUND INFORMATION

- 1.1 Companies/Natural persons applying for **MINING CLAIMS** must complete this questionnaire. (Please fill in ALL questions).
- 1.2 The answers provided in this questionnaire shall be regarded as commitments which will become part of the **Environmental Contract** between the Holder and the Government of the Republic of Namibia, duly represented by the Ministry of Environment Forestry and Tourism (MEFT) and the Ministry of Mines and Energy (MME).
- 1.3 Once the Holder has completed this questionnaire MEFT and MME will either accept/reject/request further information regarding the environmental commitments made therein. MEFT and MME reserve the right to add further conditions.
- 1.4 Once agreed to by all parties concerned, the completed questionnaire shall form part of the **Environmental Contract**.
- 1.5 **Please attach a map of the mining claim area and a copy of the application to register mining claims.**

2. Holder details

2.1 Name of Holder	VALMET TRADING CC
2.3 Telephone, Fax, Cell Phone and/or E-Mail	Tel: Fax: Cell phone: 0814433994
2.4 Postal Address Residential/Registered Address	Box 1162 Swakopmund 35 Visarend Street, Kuisebmond Walvis Bay
2.5 Reference Number	NEPL No: 9269 Expiry: 10 November 2023
2.6 Registered Number(s)	73106 and 73107
2.7 Location (Farm, District, Region) of mining claim(s)	Khorixas, Kunene region
2.8 Group(s) of Mineral(s) to be mined	Semi-precious stones

Number of people	Where will they live?
6	Camping on site at the claim area.

3. Environmental commitments

3.1 Pollution and Waste

3.1.1 What will you do with **normal litter** (e.g. Kitchen spoils, cans, bottles, paper, etc.)?

Wheelie bin will be at the site and will be emptied on a weekly basis at Khorixas landfill.

3.1.2 What **industrial waste** will be generated and what will you do with it (e.g. old machinery, vehicles, building rubble, batteries, paint, thinners, vehicle oil, etc.)?

From the envisaged project no industrial waste will be generated.

3.1.3 Describe what type of **toilet facilities** will be provided.

Portable toilet facilities will be erected in the basecamp and will be emptied on a weekly basis Khorixas seweraged pond.

3.2 Vehicle, earthmoving equipment, drilling and blasting

3.2.1 List the type and quantity of vehicles, earthmoving equipment, drilling equipment, and other machinery likely to be used on your mining claim (e.g. 2 x bakkies; 1 x bulldozer, etc.)

Vehicles:

4x4 Pick-up bakkie will be used during the operation.

Earthmoving equipment:

A generator, Makita hand held jackhammer and hand tools will be used.

Drilling equipment:

No drilling will be done.

3.2.2 Describe the environmental damage that is likely to result from the use of vehicles and machinery within the mining claim area (e.g. on the landscape in general, soil, vegetation, noise, dust, etc)

Although the area is poorly vegetated since it is a semi- desert, only existing tracks will be used to access the site. A vegetation management plan will be formulated and, if protected plant species and high valued plant species are encountered, they will be avoided.

All vehicles will be serviced regularly to ensure no soil contamination and if any oil leakage detected a drip tray will be used.

All employees will be provided with correct Personal Protect Equipment (PPE).

Operation hours will be from 08h00am to 17h00pm, Monday to Friday, no work will be allowed during dusk hours.

3.2.3 How will you control the movement of **vehicles and machinery** in order to 2inimize environmental damage?

Only existing tracks will be used during operation, no new roads or tracks will be established. No off-road driving will be permitted on site. An assistant environmental officer will be appointed to ensure compliance.

3.2.4 Which routes will be used by vehicles to get to your mining claim and state whether you intend making new roads or tracks (both to your mining claim and within your mining claim)?

Existing track which branch out from the Khorixas/Bergsig road will be used to access mining claims area.

3.2.5 Will you do any blasting on your mining claim?

Yes: _____

No: **X**

Unsure: _____

3.2.6 If "yes" above, explain how you intend minimising environmental impacts, including the safety of humans, livestock and wildlife?

N/A

3.3 Water

3.3.1 How much water do you intend using for various activities (e.g. human use, washing of equipment, washing sand/stones, dust control, gardens, etc.) and state how you intend saving water within each category of use.

Activity or category of use	Quantity of water needed per month (litres)	Water saving methods
Human consumption	100 litres per day	Water will be used sparingly
Cleaning	50 litres per day	Water will be re-used to clean equipment and tools

3.3.2 Where will you get your water (e.g. river, own borehole, Water Affairs connection, etc.)?

Water will be transported in a portable 1000 litre water tank mounted on the 4x4 truck.

3.3.3 Explain how you will minimise or completely avoid polluting any water source, including underground water.

No operation will take place near a water source.

Vehicles will be serviced regularly to avoid oil or fuel leakage and any oil/fuel spillage detected will be attended to by a professional company as soon as possible.

3.4 Relations with neighbouring communities and/or the general public

3.4.1 Are there any people living in or near your mining claim?

Yes: _____

No: **X**

Unsure: _____

3.4.2 If "yes", explain where these people live and describe their economic activities.

N/A

3.4.3 If "yes" in 3.4.1, explain what you will do to maintain a good relationship with such people.

N/A

3.4.4 Will the activities on your mining claim restrict the movement of other people in the area (e.g. the general public, tourists, farmers, local people, etc.)?

Yes: _____

No: **X**

3.4.5 If "yes" for 3.4.4, please explain why their movements or access will be restricted.

N/A

3.5 Protection of plants and wildlife

3.5.1 How will you ensure that your activities will not cause unnecessary damage to **plants and wildlife** in or near your mining claim) e.g. hunting, plant collecting, fishing, etc.)

A vegetation management plan will be formulated and an induction course on plants and wildlife conservation will be given to all employees to sensitize them on the value of wildlife and plants. Area with endemic will be avoided. No illegal harvesting of plants or hunting of wildlife will be permitted.

3.6 Historical, archaeological and cultural heritage (e.g. rock art, graves, monuments, fossils, sacred sites, historical buildings, etc.)

3.6.1 Are there any historical, archaeological or culturally important sites within your mining claim area?

Yes: _____ No: Unsure: ___

3.6.2 If "yes", please describe briefly.

N/A

3.6.3 If such sites are known, how will you avoid damaging them?

N/A

3.6.4 If such sites are discovered after you have started working your mining claim, would you accept new conditions to this contract so that they can be properly protected?

Yes: No: ___ Unsure: ___

3.7 Rehabilitation

3.7.1 When will you rehabilitate the environmental damage done during prospecting? (Tick the appropriate box)

I have no intention of rehabilitating any damage

On a continuous basis (i.e. simultaneous with prospecting and mining)

Only after all prospecting has finally been completed

I don't know

3.7.2 Describe the programme of mining from the start and the methods to rehabilitate damage.

Small miners operating, with not a lot of soil moved.

The excavated areas will be backfilled on continuous basis.

4. Existing Damage

Describe what environmental damage exists in your mining claim area now, in other words, damage caused by someone else before you began working on the mining claim. Where possible, provide evidence such as photos, statements, etc.

No existing damage done on the environment at the moment.

I hereby declare that the information provided in this questionnaire, is to the best of my knowledge, accurate and correct, and that I'm prepared to keep to the commitments stated therein.


Mining Claim Holder

Windhoek

Place

10/08/ 2023

Date