

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 a **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:

PARTIES.

The parties to this contract are: Eugene Nel (hereinafter referred to as the "Holder") being the holder of Non-Exclusive Prospecting Licence/ Mining Claim(s) no 72901 & 72902 7 2903, 72904, 72905

on the one hand, and

THE GOVERNMENT OF NAMIBIA (Hereinafter referred to as "the Government")

duly represented by:

and

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

2 4 MAR 2022

on the other.

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.

- 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).

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 14th day of February 2022

For the Government of Namibia:

Mr. Timoteus Mufeti

Environmental Commissioner

Ministry of Environment, Forestry and Tourism

And

Mr. E. Shivolo

Mining Commissioner

Ministry of Mines and Energy



MINISTRY OF ENVIRONMENT, FORESTRY AND TOURISM

Department of Environmental Affairs and Forestry Private Bag 13306, Windhoek Tel. + 264 61 2842811: Fax. + 264 61 229936

Enquiries: Josafat K Hiwana Josafat.hiwana@meft.gov.na 07 April 2022

Eugene Nel P. O. Box 116 Swakopmund Namibia

ENVIRONMENTAL CONTRACT FOR MINING CLAIM 72903-72905

Please study the **Environmental Conditions**, should you be satisfied with them, kindly initial each page and sign the last page.

Once you have done this, please return the original to me so that it can be counter-signed. Should you not agree with any of the environmental conditions, you are invited to propose modifications for us to consider.

Timoteus Mufeti
ENVIRONMENTAL COMMISSIONER

ENVIRONMENTAL CONDITIONS FOR MINING CLAIM 72903-72905

1. Pollution and waste

- 1.1 No toxic or hazardous chemicals may be brought into the prospecting area or deposited thereon (this excludes the use of petrol & diesel as fuel).
- 1.2 All domestic refuse and industrial waste will be deposited in a designated municipal refuse dump at regular intervals, but at least once every three months. No refuse may be dumped or buried within the prospecting or surrounding area, except if the landowner has an own specific designated refuse site for this purpose. Dumping of refuse on this site shall be negotiated with the landowner. It is permissible to store refuse temporarily in containers until such time as they are ready for removal. During such temporary storage, all paper and plastic refuse should be incinerated to avoid wind-blown litter. All attempts should be made to keep the area clean.
- 1.3 Pit latrines (toilets) will be provided for, and used by, all staff. Non-specific shallow pits may be used for toilets where small groups of people (< five) are staying in an area for less than one week with approval of the landowner.</p>

2. Vehicles and Earthmoving equipment

- 2.1 Vehicular movement shall be restricted to existing fence-lines, roads and tracks wherever possible. Where it is unavoidable that vehicles and machinery need to create new roads or tracks, these new access routes shall be carefully planned so as not to cause unnecessary environmental damage. In any event, no new road may be established without the prior approval of the landowner.
- 2.2 Any trenches where prospecting or mining has been completed, shall be systematically backfilled with overburden and topsoil, and the area rehabilitated to as near as possible a natural state.
- 2.3 Notwithstanding clause 2.1, during the reconnaissance and planning phase of exploration, off-road vehicle access is permitted to areas where tracks are sparse. Specifically this access is to define places to which tracks may at a later stage be constructed. Such access is subject to prior approval by the landowner.

3. Water

- 3.1 Water shall be used sparingly and all reasonable attempts will be made to avoid water wastage.
- 3.2 Water shall be used only for human consumption, washing and essential prospecting-related activities.

4. Protection of Fauna and Flora

- 4.1 No hunting wood or plant collecting shall be allowed within the prospecting or surrounding area. The collecting of dead wood for domestic use may only take place with the concurrence of the landowner.
- 4.2 Every effort shall be made avoid starting veld fires. Should a fire occur as a direct or indirect result of the companies' activities, the company/ claim holder shall make every reasonable effort to extinguish such fire.
- 4.3 The company/ claim holder shall provide written instructions to its entire staff and sub-contractors to this effect.

5. Interaction with neighbouring communities and / or tourists

5.1 The company/ claim holder shall maintain good relations with any surrounding communities, and shall not deny any person transit rights through the prospecting area. This condition is mainly relevant for prospecting activities on state lands.

6. Rehabilitation

Environmental Contract for MC 72903-72905



- 6.1 The company/ claim holder shall ensure that sufficient funds are available to affect appropriate rehabilitation of environmental damage.
- 6.2 The company/ claim holder shall ensure that rehabilitation of exploration trenches / holes / pits will take place within 8 weeks of the completion of exploration at any site.
- 6.3 Under no circumstances, shall trenches / holes / pits be left in a state where their existence endangers human or animal life.

7. Monitoring and reporting

- 7.1 The company/ claim holder shall submit every six months an Environmental Report to the Ministry of Environment, Forestry and Tourism according to the prescribed format.
- 7.2 Staff from the Ministry of Environment, Forestry and Tourism and / or the Ministry of Mines and Energy may at any time inspect prospecting areas.

8. General

The conditions stated in this notification are in addition to and do not detract from any obligations which the prospecting company may have under the Minerals (Prospecting and Mining) Act, 1992 The Nature Conservation Ordinance (Ordinance 4 of 1975), or the attached Pro-Forma Environmental Contract including the Environmental Questionnaire for Prospecting in Namibia, being Appendix A.

We agree to abide by the Pro-Forma Environmental Contract and the Environmental Conditions.

For the Holder: (Duly authorised thereto)

1 1/

Eugene N

Timoteus Mufeti

ENVIRONMENTAL COMMISSIONER

Ministry of Environment, Forestry and Tourism

7/04/22 Date

Date



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.
- Please attach a map of the mining claim area and a copy of the application to register mining claims.

Holder details

2.1 Na	me of Holder	Eugene Nel
	me of Mining Claim Holder different from 2.1)	N/A
2.3 Tele	ephone, Fax, Cell Phone and/or E-Mail	Tel: +264 81 1623997 Fax: N/A Cell phone: +264 81 1623997
2.4 Pos	stal Address	P O. Box 116, Swakopmund, Namibia
Res	sidential/Registered Address	Unit 1, Casa de Paz, Elisenheim, Windhoek, Namibia
2.5 Ref	ference Number	NEPL No: 8731 Expiry: 28 January 2023
2.6 Rec	gistered Number(s)	72903, 72904 & 72905 ,
	ocation (Farm, District, Region) of nining claim(s)	Henties Bay District, Erongo Region
2.8 Gr	oup(s) of Mineral(s) to be mined	Semi-Precious Stones



here will they live?	
mping at the claim area.	
	Imping at the claim area.

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 bins will be made available at the site and it will be emptied on weekly basis at Henties Bay 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.)?

No industrial waste will be generated from the envisaged project.

3.1.3 Describe what type of toilet facilities will be provided.

Portable toilets will be erected in the vicinity of the basecamp and it will be emptied at Henties Bay sewerage pond on weekly basis.

- 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:

One 4°4 pick-up bakkies and an eight-ton truck will be used during the operation of the project.

Earthmoving equipment:

An 400PC excavator equipped with the exclusive highly efficient hydraulic control system will be used for excavation and loading purposes.

Drilling equipment:

A jackhammer equipped with a compressor will be used for drilling purposes.

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.).

The existing tracks will be used to access the site by vehicles and machinery, although the area is poorly vegetated since it is a desert; only plant species that will be within the targeted area will be cleared, if such plant species are inevitable. A vegetation management plant will be formulated and if protected plant species and high valued plant species are encountered, they will be avoided. The vehicles and all machineries will be serviced regularly to ensure that there is no soil contamination and if any oil leakage have been detected a drip tray will be used. All employees will be provided with the correct Personal Protect Equipment (PPE). The operation hours will be from 8h00 AM to 17H00 PM, from 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 minimize environmental damage?

Only existing tracks will be used during the operation of the project and no new road or track will be established. No off-roads will be permitted on-site and 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)?

An existing track which branch out from the C34 road which stretches from Henties Bay to Cape Cross will be used to access the mining claims area.



3.2.5 Will you do any blasting on your mining claim?
Yes: No: NO Unsure:

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

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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 (liters)	Water saving methods
Human consumption	125 liters per/day	Water will be used sparingly
Cleaning	100 liters per/day	Water will be reused to clean tools and equipment

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

Water will be transported to the site from Henties Bay in a water tank trailer.

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

Vehicle and machinery will be service regularly to avoid any oil or fuel leakage and any oil or fuel spillage detected will be attended to as soon as possible by a professional company. No operation will take place near a water source.

3.4	Relations with neighboring communities and/or the general public
3.4.1 Yes:	Are there any people living in or near your mining claim? 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.
	All communication will be channeled through the MME & MEFT offices in Swakopmund.
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: <u>X</u>



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

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 plant and wildlife conservation will be given to all employees to sensitize them on the value of wildlife and plant. Area with endemic species will be avoided. No illegal harvesting of plant or hunting of wild animals will be permitted.

3.6	Historical, archaeological a n d 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	[[W 7 4 8]
3.7	Rehabilitation
3.7.1	When will you rehabilitate the environmental damage done during prospecting? (Tick the appropriate box)
Ona	no intention of rehabilitating any damage continuous basis (i.e. simultaneous with ecting) X
	after all prospecting has finally been completed t know
3.7.2	Describe the programme of mining from the start and the methods to rehabilitate damage.

Existing Damage 4.

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.

The excavated areas will be backfilled on continuous basis.

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.

Dindhoek.

10/02/22 Date

License Details



TEST (Test-3512)

Test Areas

Coordinates and Shape

Coordinates

Official Area:

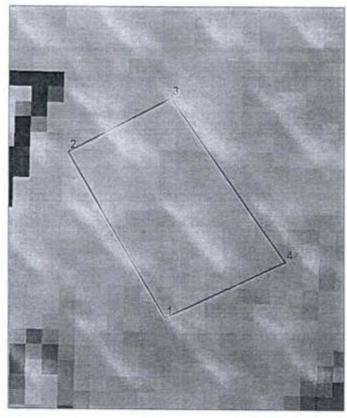
17.8090 Ha

Coordinate system:

GCS Bessel 1841

Order	Latitude	Longitude
Part 1		
1	21° 48' 19.57" S	14° 10′ 13,99″ E
2	21° 48' 04.46" S	14° 10' 05.10" E
3	21° 47′ 59.57″ 5	14° 10′ 14.55" E
4	21° 48′ 14.49″ 5	14° 10′ 24.99" E

Shape







Inactive



NAMIBIAN POLICE WINDHOEK







License Details

Test-3427

Test Areas

Coordinates and Shape

01 February 2022

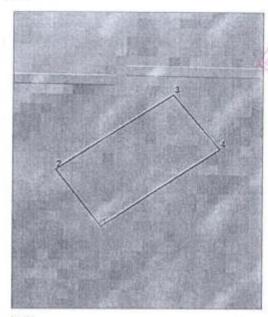
Coordinates

Official Area: 17,7905 Ha

Coordinate system: GCS Bessel 1841

Order Latitude		Longitude	
Part 1			
1	21" 47" 58.47" 5	14° 10' 37.38" E	
2	21" 47 50.35" 5	14° 10' 30.91" E	
3	21" 47" 39,83" 5	14" 10" 47.50" E	
4	21* 47 47,53* 5	14" 10" 54.06" E	

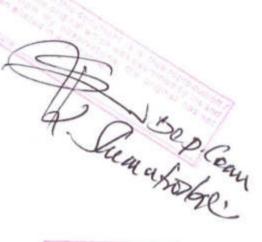








MME Landfolio Namibia Production



Application (Pre-Application)



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Claim, 72905

License Details

Test-3462

Test Areas

Coordinates and Shape

Coordinates

17,6648 Ha

Coordinate system: GCS Bessel 1841

Latitude Order Part 1

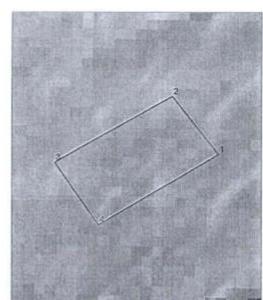
21* 47" 58.47" 5

21" 47 50.35" 5 21° 47' 59.57" 5

21° 48' 08.37' S

14° 10' 20.67" E

Shape



MME Landfolio Namibia Production



Application (Pre-Application)

M. Mana Long Chance

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01 February 2022