

Metallurgical Operations Proposal

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Date: June 20, 2022

To: Geo. Hisham AlZyod
Company: Ministry of Energy and Mineral Resources
E-mail: hisham.alzyood@memr.gov.jo

Re: Proposal #19097-PR3 for Impurity Removal Testing on a Silica Sand Sample

Dear Mr. Hisham,

Please find attached a proposal for impurity removal testing on a silica sand sample. The

overall cost for the program is JOD 12,720.

Key program deliverables will include:

- Attrition scrubbing testing
- Magnetic separation testing
- Flotation testing
- Acid leach testing
- Reporting

If you have any questions regarding this proposal or require any modifications, please do not hesitate to contact us.

Kind regards,



Dan Imeson, M.Sc.
Manager – Mineral Processing



Metallurgical Operations Proposal

PROPOSAL #19097-PR3

IMPURITY REMOVAL TESTING ON A SILICA SAND SAMPLE

prepared for

Ministry of Energy and Mineral Resources

June 20, 2022

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TABLE OF CONTENTS

Introduction	4
Test Program.....	4
1. Sample Receipt and Preparation	4
2. Feed Characterization	4
3. Metallurgical Testing	5
3.1. Attrition Scrubbing Testing	5
3.2. Magnetic Separation Testing.....	5
3.3. Flotation Testing	5
3.4. Acid Leach Testing.....	5
3.5. Analytical Allowance.....	5
4. Health and Safety.....	6
5. Project Management and Reporting	6
6. Sample Management	6
Integrated Services	7
Quotation.....	8
Schedule	9
Statement of Qualifications	9
Client Information	10
Approval and Acceptance	12
Sample Storage, Return, and Disposal.....	13
Sample Storage, Return, and Disposal Fee Schedule.....	14
General Conditions of Service	15

INTRODUCTION

This proposal was prepared in response to a request from Mr. Hisham AlZyod from Ministry of Energy and Mineral Resources for impurity removal testing on a silica sand sample.

SGS Canada was approached with a proposal request for impurity removal testing on a silica sand sample. The sand currently has a grade of 95-96% silica. Based on initial mineralogical characterization, the main impurity is kaolinite which occurs either as free grains or intergrowths with quartz, and rimming quartz.

The goal of the test program is to perform an initial evaluation of methods to remove the clays and improve the quality of the sand. The following testing will be performed:

- Attrition scrubbing testing
- Magnetic separation testing
- Flotation testing
- Acid leach testing

A formal report will be prepared at the completion of the program summarizing results and providing recommendations for possible further testwork to refine the process flowsheet.

TEST PROGRAM

1. Sample Receipt and Preparation

It is expected that approximately 20 kg of sample will be required for the program. Upon receipt, the material will be air-dried as required, blended, and split into 1 kg charges.

2. Feed Characterization

One of the charges will be riffled and 100 g pulverized and submitted for whole rock analysis (WRA) and a multi-element ICP scan. Whole rock Whole Rock Analysis is a suite that includes SiO₂, Al₂O₃, Fe₂O₃, MgO, CaO, Na₂O, K₂O, P₂O₅, TiO₂, MnO, Cr₂O₃, V₂O₅ and Loss on Ignition.

Approximately 250 grams will be sieved into fractions (10 fractions) ranging from the top size to 38 µm. Each fraction will be submitted for WRA.

3. Metallurgical Testing

3.1. Attrition Scrubbing Testing

Approximately 1 kg charges will be attritioned with a high intensity scrubber. At the completion of the test, the material will be dried, and a subsample will be sieved into fractions similar to that performed on the feed and each fraction submitted for WRA. Two tests will be completed, one at lower intensity and one at higher intensity. The expectation is that the clays will deport to the finer fractions and can be discarded.

3.2. Magnetic Separation Testing

Magnetic separation testing will be performed on the attritioned product with the fines removed. The goal is to remove any Fe-bearing particles. Two magnetic separation tests will be performed.

The first test will be performed using a wet high-intensity magnetic separation. Approximately 400 g will be processed through the separator at 5,000 Gauss with magnetics removed. The non-magnetics will be repassed at 20,000 Gauss. Two magnetic streams and a non-magnetics will be submitted for WRA.

The second test will process 400 g of the sand on a high intensity dry belt magnetic separator. The test will generate a magnetics, a middlings, and a non-magnetics. Each product will be submitted for WRA.

3.3. Flotation Testing

A single flotation test will be completed on a 2 kg feed charge to attempt to separate the kaolinite from quartz, applying general conditions which are expected to be successful based on similar testing on other projects. The test is expected to generate six products which will be submitted for WRA.

3.4. Acid Leach Testing

Acid leach testing (sulphuric acid and possibly hydrochloric acid) will be performed on the feed. An allowance is given for three tests applying various conditions (acid type and concentration). At the completion of the test, the effluent will be submitted for an ICP scan, while the residue will be submitted for a WRA.

3.5. Analytical Allowance

An analytical allowance is given for additional analysis not stated in the testing descriptions above. It is possible that some of the tests described above may generate additional products. It is also likely that some of the more pure quartz products will need to be submitted for alternative analytical techniques with more precision than WRA.

4. Health and Safety

SGS Natural Resources requires all personnel and contractors engaged in piloting or laboratory testwork to have completed a full safety induction.

All persons on site have a duty to report incidents or potential hazards and are encouraged to do so through our incident or accident reporting system.

5. Project Management and Reporting

SGS takes the approach that the effective management of metallurgical projects is best achieved by encouraging the intimate participation of the client or the client elected representative at all stages of project development and execution. This facilitates a continuous flow of communication, information and ideas.

Our clients are encouraged to discuss with us the project scope and timing during the initial planning and proposal preparation stages of the project. It is hoped that this discussion and consultation process continues throughout the test program. During critical and intensive periods of test programs many of our clients elect to stay in the immediate vicinity. In these circumstances, SGS can offer office and meeting spaces as well as assist with reservation of accommodations and transportation to/from the airport.

All test results will be summarized and reported to the client as results become available. A final report will be prepared at the end of the program. The report will be issued in electronic (PDF) and can also be issued as hard copies (paper and/or compact disk) upon request.

6. Sample Management

The Sample Management policy is in place to efficiently manage the project sample inventory over the course of a project life. The client retains ownership of all project samples (all test products, assay rejects, unused ore samples, etc.) and will be consulted on a regular basis for instruction regarding whether the samples are to be returned, disposed of or sent to the SGS Storage Group. The frequency of this review is relative to the project size and schedule. Costs associated with sample return, disposal and storage are exclusive of the budget of this proposal. The client is referred to the appended Sample Storage, Return, and Disposal Fee Schedule. Once instructions have been received by SGS from the client regarding how the samples are to be handled the action plan and budget will be provided to the client for approval.

It should be noted that SGS is not licensed for the disposal of radioactive material. SGS can assist in the return of radioactive samples to the client or transferring to a third-party facility that is permitted to accept and dispose of such material.

INTEGRATED SERVICES

SGS Natural Resources

SGS is the global leader in inspection, verification, certification and testing services and has been active in Canada for over 75 years. SGS' global Centers of Excellence for our market-leading metallurgical and geochemical businesses are located in Lakefield, Vancouver, Toronto and Quebec City.

Our flowsheet development, geometallurgy, pilot plant testing, chemical analysis and laboratory outsourcing staff have earned the respect of the global minerals industry and we are the world's leading provider of bankable metallurgical services. We have over 250 metallurgists, chemists and related professionals who bring significant expertise and experience to all these areas. Our services cover the following and more detail may be accessed at the links shown below:

- **Geochemistry** – Our market leading network of geochemistry labs is linked globally to provide an unparalleled suite of target elements. We also offer full services for check samples, MMI™ and on-site labs.
- **Mineralogy** - Our automated, instrumented mineralogy capability allows SGS to provide cutting-edge High-Definition Mineralogy. Our comprehensive Advanced Mineralogy Facilities can help with detailed characterizations.
- **Metallurgy** - SGS has earned the reputation as market leader in bankable metallurgical testing in every commodity for scoping, pre-feasibility and feasibility testing and in-plant services.
- **Geometallurgy** - The SGS Geometallurgical Framework successfully integrates mineralogy and textural information with metallurgical liberation and selectivity parameters based on a statistically rigorous sampling plan.
- **Geological Services** - SGS geologists can act as Qualified Persons to provide technical reports compliant to NI 43-101 and JORC, leverage machine learning capabilities to understand algorithms to improve drill target campaigns, perform mine audits and due diligence, property evaluations and pre-feasibility studies as well as resource estimations.
- **Advanced Systems**: SGS is a recognized leader in the development and integration of turnkey advanced control solutions. We can help you take advantage of the proven benefits of advanced control via the implementation of an expert system, scheduling, simulation or optimization.
- **Production Optimization**: SGS can help decrease risk and increase bankability. We offer production optimization contracts and preproduction/prestart-up, with the commencement of mining and during any year of production.
- **Environmental Sustainability**: Unite the testing and technical strengths of SGS with the stringent needs of the mining industry and the environmental community. We can deliver in:
 - Acid rock drainage testing and mitigation
 - Waste characterization
 - Water and effluent treatment
- **In-plant Services**: SGS provides world-class technical support to ensure constant optimal mill throughput and metallurgy. We support on-site operations with:
 - Periodic technical auditing
 - Trouble-shooting
 - Complete on-site daily metallurgical management
- **Engineering Services**: SGS' multi-disciplined experts deliver proven integrated solutions for plant upgrades, retrofits, and brownfields expansion projects. We offer cost-effective solutions including metallurgical process, civil, structural, mechanical, and electrical engineering.

<http://www.sgs.com/mining-engineering>

<http://www.sgs.ca/mining>

QUOTATION

The overall cost for the program is JOD 12,720. Once this proposal is finalized and we have agreed on the scope of work, please sign the 'Approval & Acceptance' and return via email or fax to acknowledge your acceptance of this proposal. We will then establish an account (project number).

If you have any questions regarding this proposal or require any modifications, please do not hesitate to contact us.

Please note that in order to more efficiently streamline sample/product handling at the end of the project we have made some changes to our sample handling policies, which are described in the Client Information sheet.

Note that, unless specifically stated in the proposal and quotation table, the scope of work does not include any provision for a qualified person (QP) as required for all National Instrument (NI) 43-101 Technical Reports by SGS.

SCHEDULE

The testing portion of the program is expected to take approximately 6 weeks to complete. A report would follow within 2-3 weeks. A formal schedule will be established at project acceptance based on workload and equipment availability at the time and revisited every time there is a significant change of scope.

STATEMENT OF QUALIFICATIONS

SGS Canada Natural Resources Lakefield conforms to the requirements of ISO/IEC 17025 and is accredited by the Standards Council of Canada for specific tests as indicated on their scope of accreditation found at <https://www.scc.ca/en/search/palcan>.

CLIENT INFORMATION

All costs are quoted in American currency. All tests/tasks are quoted as a fixed unit cost and will be invoiced monthly, based on the number of tests completed, at the quoted price. Minor variation in the scope of the program will be absorbed in the contingency allowance, as quoted. Significant changes in the scope/cost of the test or program will be addressed through a change in scope notice. Such changes in scope will only proceed with the consent of the Client or a representative thereof.

SGS reserves the right to pre-invoice any portion of work which will be completed within a 60 day period which will exceed the amount of prepayment on hand in terms of invoiceable project receivables. In this event, a payment / invoicing schedule will be supplied to the client. The prepayment will be applied to the final project invoice and will allow resources to be booked against the project. This reserved time may be forfeited if the samples, testwork, instructions, or authorization to proceed have not been received at SGS by the agreed-upon start-up date.

The Client will retain ownership of any samples sent to SGS laboratories for testing, and of all test products generated during the testwork program and will have the ultimate responsibility for their return to site or disposal. At the beginning of the project, the client is to provide direction with respect to sample/product handling method (i.e. store then dispose, store then return, immediate disposal, or immediate return) on the acceptance sheet with the name and email address of the client representative and return address as appropriate. This information will be logged in our storage system and an estimated handling fee will be invoiced based on the project assumptions. At the end of the project, SGS will make all reasonable effort to contact the client's representative, who will be given an opportunity to review the inventory and revisit the client's decision. In the event no response is obtained within four weeks of the initial contact, the sample(s) will be handled per original request. Note that SGS can assist in arranging return or disposal of the samples, but the ultimate cost, which may not be entirely covered in the quotation, will be the entire responsibility of the Client. The sample handling costs will be adjusted on the last invoice if necessary. Typical sample storage and disposal fees are described later in this document.

The prices quoted herein will be honoured for three months from the date of issue of this proposal and for the duration of your project provided testwork, as generally described in this proposal, commences within three months.

If after a credit check, a credit account cannot be established, the job shall be considered COD (cash on delivery) and a prepayment will be required. In the event of a past due account, SGS Natural Resources reserves the right to request a payment in full before commencing new work, or to withhold data and/or services until the past due balance is cleared.

Reporting

Final reports are issued electronically in PDF format and can also be issued as hard copies (paper and/or compact disk) upon request.

Shipping Information

Please ship samples via courier to:

Attention: Dan Imeson, M.Sc.

SGS Canada Inc.

185 Concession St., Postal Box 4300

Lakefield, ON K0L 2H0 Canada

Terms of Payment

As shown on invoice.

Packages crossing international borders should be labelled:

Metallurgical Ore Samples for Testing Purposes Only

No Commercial Value (but, please assign a value of at least \$10 to each piece shipped)

SGS is required to be notified of any shipments where the goods will be shipped with a hazardous classification and the related UN number.

Large freight items will need to be custom cleared by **Livingston International Inc.**

Small items shipped via international shipping companies such as FedEx, DHL, UPS, etc will be cleared by the couriers themselves.

On waybill indicate:

Notify Party: Livingston International Inc

SGS Canada Inc Lakefield Site Clearance Account #: 391731 and Account Caption#: 150

Customs documentation is to be sent to the following emails addresses for each mode of transportation including CST49254@livingstonintl.com and one of below addresses:

Should you require documentation please use the following site: <https://www.livingstonintl.com/resource-center/>

Air shipments to:

Toronto - traffictorontoair@livingstonintl.com

Montreal - traffic_montreal@livingstonintl.com

Vancouver - trafficvancouverair@livingstonintl.com

Ocean shipments to:

Toronto - traffictorontocean@livingstonintl.com

Montreal - traffic_montreal@livingstonintl.com

Vancouver- trafficvancouver@livingstonintl.com

Truck shipments to:

Toronto - CST49254@livingstonintl.com; CDNimports@livingstonintl.com

Montreal - traffic_montreal@livingstonintl.com

Vancouver- vancouvertraffic@livingstonintl.com

This is important to speed up clearance at the border and ensure shipments arrive to site without additional delays.

It is imperative that the recipient's name and proposal number are clearly marked on the shipment.



Metallurgical Operations Proposal

APPROVAL AND ACCEPTANCE

Once this proposal is finalized and you have agreed to the pricing and scope of work, please provide a valid purchase order (PO) and the information requested below (if not included in the PO) by email to the author's attention or to Carrie Witt (ca.met@sgs.com) to acknowledge your acceptance of this proposal.

We accept the proposal as per the Scope of Work and General Conditions of Service indicated in this document:

Proposal #19097-PR3 for Impurity Removal Testing on a Silica Sand Sample, prepared for SGS Jordan June 20, 2022

ADDRESS INVOICE TO: _____ **SEND INVOICE TO: (specify by mail, email, or fax)**

Legal Company Name: _____ Company Name: _____

Address: _____ Address: _____

Contact Name: _____ Contact Name: _____

Email: _____ Email: _____

Phone: _____ Phone: _____

INVOICE PAYMENT APPROVER: _____ **Ultimate Sample Destination at End of Project:**

Contact Name: _____ Contact Name: _____

Email: _____ Email: _____

Phone: _____ Phone: _____

ACCOUNT PAYABLE: _____ **Store then Dispose:** **Immediate Disposal:**

Contact Name: _____

Store then Return: **Immediate Return:**

Email: _____

Phone: _____

Choice will be confirmed at project completion

APPROVAL DATE: _____ *Address for sample return*

Signature: _____

Name: _____

Title: _____

Please notify us if you are aware of the presence of either asbestos fibres or radioactive minerals in your samples, since special handling procedures will be required to ensure the protection of our staff during preparation of the samples for analysis and testwork.

Asbestos **YES** **NO**

Radioactive **YES** **NO**

SAMPLE STORAGE, RETURN, AND DISPOSAL

It is the policy of SGS that the client retains ownership of all samples shipped to the SGS site, as well as all products created during the test program. At regular intervals (*no greater than every 90 days*) during the course of the project the sample inventory will be reviewed with the client in order to classify the samples as for 1) return to the client, 2) disposal, or 3) continued storage with the appropriate storage fees applied. At the time of sample return or disposal the client will be invoiced for the related costs. At the completion of the test program, the client will again have the option of requesting return of all samples, storage at the SGS site, or disposal by SGS

All samples considered radioactive will be returned to the client or sent to a regulated third party for disposal at the client's expense. SGS is not licensed for long term storage of radioactive material.

If heated or freezer storage is required for the samples or test products, these costs will be billed to the client from the date the samples are put into heated or cold storage unless indicated in the scope of work.

Within 90 days of the end of a project, the project manager will provide the client the sample inventory that will include a listing of all unused samples and the test products pertaining to the project. At this time the client will be required to provide instructions identifying samples for return, disposal, or storage. Once SGS has received the sample management instructions an invoice for the costs of on-going storage will be issued for samples that are to be stored. A cost estimate for the disposal and/or return shipment of samples and test products will also be provided at that time. If no instructions are received, the samples will be stored at the client's cost for three months, and then disposed of at the client's cost. Every effort will be made to solicit specific instructions from the client prior to disposal of the material, preferably at the project proposal stage.

SGS strives to comply with all environmental regulations. One of our legal obligations is to characterize all material (greater than 500 kg) that leaves our site, as either a hazardous or a non-hazardous waste. This distinction is based on the results of a leachate test (i.e. Ontario Reg. 347). In this regard, it is noted that, while many ore samples may pass the leachate test, concentrates, leach solutions or other products generated from the same ore during testwork may fail the leachate tests, and require either further treatment or management and disposal as a hazardous waste. SGS will process material as efficiently as possible to minimize the mass for disposal. If the samples for disposal pass the regulatory requirements, they will be forwarded to a local landfill site. If the samples do not pass, they will either be shipped to a licensed hazardous material storage facility or returned to the client.

The SGS fee schedule for storage, and/or disposal of samples, is presented in the following section.

SAMPLE STORAGE, RETURN, AND DISPOSAL FEE SCHEDULE

	Monthly
A Sample Storage Fees	
1. Inside Storage (Ambient Temperature)	
1.1. Box (45 L)	\$24.50
1.2. Pail	\$24.50
1.3. Drum (200 L)	\$48.50
1.4. Crate	\$58.00
1.5. Super Sack / IBC (1 cubic meter)	\$58.00
2. Outside Storage	
2.1. Pail	\$12.25
2.2. Drums (200 L)	\$25.00
2.3. Crates/Core Skid	\$29.50
2.4. Super Sack	\$29.50
2.5. Bulk Storage Bin (20 cubic meter)	\$400.00
2.6. Bulk Storage Bin (30 cubic meter)	\$500.00
3. Freezer Storage (Controlled Low Temperature)	
3.1. Box (45 L)	\$45.00
3.2. Pail	\$45.00
3.3. Drum (200 L)	\$125.00
4. Radioactive Materials- NORM Secure Placement Inside (During Project)	
4.1. Box (45 L)	\$154.50
4.2. Pail	\$154.50
4.3. Drum (200 L)	\$231.75
B Container Fees	
1. Pail	\$7.50
2. Plastic Drum	\$85.00
3. Steel Drum	\$35.00
4. Skid 4x4	\$22.50
5. Super Sack	\$20.50
6. UN Super Sack	\$110.50
7. IBC	\$225.00
C Sample Disposal	
1. Regulation 347 test (Schedule 4 Limits) per sample	\$309.00
2. Disposal of Reg. 347 (passing material at Landfill) per tonne	\$275.00
3. Disposal of Reg. 347 (failing material to disposal company) per tonne	TBD
4. Disposal of toxic materials (cost plus handling) per drum minimum	TBD
D Sample Return	
1. All material is returned to the client at cost	
2. All NORM shall be returned/No long term storage is allowed for radioactive material (NORM)	
E Analysis, Liaison and Handling Costs Paid by Client.	
1. Return \$95.00 per hour labor + 15% Admin Fee	
2. Return quote for shipping costs and applicable taxes	

NOTE: Fees Subject to Change

GENERAL CONDITIONS OF SERVICE

1. General

(a) Unless otherwise agreed in writing or except where they are at variance with (i) the regulations governing services performed on behalf of governments, government bodies or any other public entity or (ii) the mandatory provisions of local law, all offers or services and all resulting contractual relationship(s) between any of the affiliated companies of SGS Canada Inc. or any of their agents (each a "Company") and Client (the "Contractual Relationship(s)") shall be governed by these general conditions of service (hereinafter the "General Conditions").

(b) The Company may perform services for persons or entities (private, public or governmental) issuing instructions (hereinafter, the "Client").

(c) Unless the Company receives prior written instructions to the contrary from Client, no other party is entitled to give instructions, particularly on the scope of the services or the delivery of reports or certificates resulting therefrom (the "Reports of Findings"). Client hereby irrevocably authorises the Company to deliver Reports of Findings to a third party where so instructed by Client or, at its discretion, where it implicitly follows from circumstances, trade custom, usage or practice.

2. Provision of Services

(a) The Company will provide services using reasonable care and skill and in accordance with Client's specific instructions as confirmed by the Company or, in the absence of such instructions:

- (1) the terms of any standard order form or standard specification sheet of the Company; and/or
- (2) any relevant trade custom, usage or practice; and/or
- (3) such methods as the Company shall consider appropriate on technical, operational and/or financial grounds.

(b) Information stated in Reports of Findings is derived from the results of inspection or testing procedures carried out in accordance with the instructions of Client, and/or our assessment of such results on the basis of any technical standards, trade custom or practice, or other circumstances which should in our professional opinion be taken into account.

(c) Reports of Findings issued further to the testing of samples contain the Company's opinion on those samples only and do not express any opinion upon the lot from which the samples were drawn.

(d) Should Client request that the Company witness any third party intervention, Client agrees that the Company's sole responsibility is to be present at the time of the third party's intervention and to forward the results, or confirm the occurrence, of the intervention. Client agrees that the Company is not responsible for the condition or calibration of apparatus, instruments and measuring devices used, the analysis methods applied, the qualifications, actions or omissions of third party personnel or the analysis results.

(e) Reports of Findings issued by the Company will reflect the facts as recorded by it at the time of its intervention only and within the limits of the instructions received or, in the absence of such instructions, within the limits of the alternative parameters applied as provided for in clause 2(a). The Company is under no obligation to refer to, or report upon, any facts or circumstances which are outside the specific instructions received or alternative parameters applied.

(f) The Company may delegate the performance of all or part of the services to an agent or subcontractor and Client authorises Company to disclose all information necessary for such performance to the agent or subcontractor.

(g) Should Company receive documents reflecting engagements contracted between Client and third parties or third party documents, such as copies of sale contracts, letters of credit, bills of lading, etc., they are considered to be for information only, and do not extend or restrict the scope of the services or the obligations accepted by the Company.

(h) Client acknowledges that the Company, by providing the services, neither takes the place of Client or any third party, nor releases them from any of their obligations, nor otherwise assumes, abridges, abrogates or undertakes to discharge any duty of Client to any third party or that of any third party to Client.

(i) All samples shall be retained for a maximum of 3 months or such other shorter time period as the nature of the sample permits and then returned to Client or otherwise disposed of at the Company's discretion after which time Company shall cease to have any responsibility for such samples. Storage of samples for more than 3 months shall incur a storage charge payable by Client. Client will be billed a handling and freight fee if samples are returned. Special disposal charges will be billed to Client if incurred.

3. Obligations of Client

The Client will:

(a) ensure that sufficient information, instructions and documents are given in due time (and, in any event not later than 48 hours prior to the desired intervention) to enable the required services to be performed;

(b) procure all necessary access for the Company's representatives to the premises where the services are to be performed and take all necessary steps to eliminate or remedy any obstacles to, or interruptions in, the performance of the services;

(c) supply, if required, any special equipment and personnel necessary for the performance of the services;

(d) ensure that all necessary measures are taken for safety and security of working conditions, sites and installations during the performance of services and will not rely, in this respect, on the Company's advice whether required or not;

(e) inform Company in advance of any known hazards or dangers, actual or potential, associated with any order or samples or testing including, for example, presence or risk of radiation, toxic or noxious or explosive elements or materials, environmental pollution or poisons;

(f) fully exercise all its rights and discharge all its liabilities under any relevant sales or other contract with a third party and at law.

4. Fees and Payment

(a) Fees not established between the Company and Client at the time the order is placed or a contract is negotiated shall be at the Company's standard rates (which are subject to change) and all applicable taxes shall be payable by Client.

(b) Unless a shorter period is established in the invoice, Client will promptly pay not later than 30 days from the relevant invoice date or within such other period as may be established by the Company in the invoice (the "Due Date") all fees due to the Company failing which interest will become due at a rate of 1.5% per month (or such other rate as may be established in the invoice) from the Due Date up to and including the date payment is actually received.

(c) Client shall not be entitled to retain or defer payment of any sums due to the Company on account of any dispute, counter claim or set off which it may allege against the Company.

(d) Company may elect to bring action for the collection of unpaid fees in any court having competent jurisdiction.

(e) Client shall pay all of the Company's collection costs, including attorney's fees and related costs.

(f) In the event any unforeseen problems or expenses arise in the course of carrying out the services the Company shall endeavour to inform Client and shall be entitled to charge additional fees to cover extra time and cost necessarily incurred to complete the services.

(g) If the Company is unable to perform all or part of the services for any cause whatsoever outside the Company's control including failure by Client to comply with any of its obligations provided for in clause 3 above the Company shall nevertheless be entitled to payment of:

- (1) the amount of all non-refundable expenses incurred by the Company; and

Metallurgical Operations Proposal

(2) a proportion of the agreed fee equal to the proportion of the services actually carried out.

5. Suspension or Termination of Services

The Company shall be entitled to immediately and without liability either suspend or terminate provision of the services in the event of:

- (a) failure by the Client to comply with any of its obligations hereunder and such failure is not remedied within 10 days that notice of such failure has been notified to Client; or
- (b) any suspension of payment, arrangement with creditors, bankruptcy, insolvency, receivership or cessation of business by Client.

6. Liability and Indemnification

(a) Limitation of Liability:

(1) The Company is neither an insurer nor a guarantor and disclaims all liability in such capacity. Clients seeking a guarantee against loss or damage should obtain appropriate insurance.

(2) Reports of Findings are issued on the basis of information, documents and/or samples provided by, or on behalf of, Client and solely for the benefit of Client who is responsible for acting as it sees fit on the basis of such Reports of Findings. Neither the Company nor any of its officers, employees, agents or subcontractors shall be liable to Client nor any third party for any actions taken or not taken on the basis of such Reports of Findings nor for any incorrect results arising from unclear, erroneous, incomplete, misleading or false information provided to the Company.

(3) The Company shall not be liable for any delayed, partial or total non-performance of the services arising directly or indirectly from any event outside the Company's control including failure by Client to comply with any of its obligations hereunder.

(4) The liability of the Company in respect of any claim for loss, damage or expense of any nature and howsoever arising shall in no circumstances exceed a total aggregate sum equal to 10 times the amount of the fee paid in respect of the specific service which gives rise to such claim or US\$20,000 (or its equivalent in local currency), whichever is the lesser.

(5) The Company shall have no liability for any indirect or consequential loss including without limitation loss of profits, loss of business, loss of opportunity, loss of goodwill and cost of product recall. It shall further have no liability for any loss, damage or expense arising from the claims of any third party (including, without limitation, product liability claims) that may be incurred by the Client.

- (6) In the event of any claim, Client must give written notice to the
- (7)
- (8) Company
- (9) within 30 days of discovery of the facts alleged to justify such claim
- (10) and, in any case, the Company shall be discharged from all liability for all claims for loss, damage or expense unless suit is brought within one year from:
 - (i) the date of performance by the Company of the service which gives
 - (ii) rise to the claim; or
 - (ii) the date when the service should have been completed in the event of any alleged non-performance.

(b) Indemnification: Client shall guarantee, hold harmless and indemnify the Company and its officers, employees, agents or subcontractors against all claims (actual or threatened) by any third party for loss, damage or expense of whatsoever nature including all legal expenses and related costs and howsoever arising relating to the performance, purported performance or non-performance, of any services.

7. Fiscal Allowances In Canada for Organizations Conducting Experimental Research

Company may apply to Canada Customs and Revenue Agency ("CCRA") for fiscal allowances permitted to Canadian laboratories undertaking accreditable experimental research and development within Canada. The high success rate of Company in meeting the technological objectives of its clients and in providing quality experimental work and results requires it to undertake internal experimental research. This is done to improve the Company's technological approaches and methodologies, as well as

overcome unanticipated or unavoidable technical challenges that occur in the course of much work undertaken by it for its clients.

It is implicit in these General Conditions that the experimental work performed by the Company may sometimes be cited, in an anonymous manner, for the purpose of requesting fiscal credits for risks assumed by the Company in the course of performing services for its clients.

Notwithstanding the presence of an obligatory agreement of confidentiality between CCRA and Company, any information used by the latter to support claims for the assumption of risk in experimental research, will be presented in an anonymous form. For example, no mention will be made of the name of Client, ore bodies or proprietary processes in these claims. Throughout this process, Company will fully respect the trust and the agreements of confidentiality that exist with Client.

8. Miscellaneous

(a) If any one or more provisions of these General Conditions are found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(b) During the course of providing the services and for a period of one year thereafter Client shall not directly or indirectly entice, encourage or make any offer to Company's employees to leave their employment with the Company.

(c) Use of the Company's corporate name or registered marks for advertising purposes is not permitted without the Company's prior written authorisation.

9. Governing Law, Jurisdiction and Dispute Resolution

Unless specifically agreed otherwise, all disputes arising out or in connection with Contractual Relationship(s) hereunder shall be governed by the substantive laws of the Province of Ontario exclusive of any rules with respect to conflicts of laws and be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The arbitration shall take place in Toronto (Canada) and be conducted in the English language.