

13 February 2024

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
Level 50, 108 St Georges Terrace  
Perth WA 6000

Dear Rafael:

**Subject: Colossus Project Scoping Study**

The attached Offer for Engineering and Consultancy Services outlines the scope, approach to be used to complete the project, the deliverables and our commercial offer.

If this offer is acceptable to Viridis Mining and Minerals Pty Ltd, please sign the attached Acceptance and we can mobilize the team to start to undertake this work for you. If you would like to meet with me to clarify and further discuss any aspect of this offer, please call me at 0407 422 306 or 08 9428 5411.

Yours faithfully,



Ross Forzatti

RF:rf  
Ref.: Viridis\_Colossus Project Scoping Study\_Draft.docx  
Attachment(s)

cc: Claude D'Cruz  
Conrad Blake  
Francisco Nunes

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

## OFFER FOR ENGINEERING AND CONSULTANCY SERVICES for Colossus Project Scoping Study

13 February 2024

---

<b>Client Name:</b>	Viridis Mining and Minerals Pty Ltd
<b>Project Name:</b>	Colossus Project Scoping Study
<b>Client Contact:</b>	Rafael Moreno Chief Executive Officer
<b>Hatch Contact:</b>	Ross Forzatti Project & Process Manager, Associate <a href="mailto:ross.forzatti@hatch.com.au">ross.forzatti@hatch.com.au</a> Phone: 0407 422 306 or 08 9428 5411
<b>Proposal Number:</b>	Scoping Study, Rev. 0
<b>Estimated Start Date:</b>	w/e 1 March, 2024 (tbc)
<b>Estimated Completion Date:</b>	w/e 14 June, 2024 (tbc)
<b>Cost Basis:</b>	Reimbursable Costs Basis
<b>Project Estimate:</b>	299,431 AUD

---

### Introduction

On 1 February 2024, Viridis (VMM) announced promising TREO grades within their Poços de Caldas Alkaline Complex, presenting an opportunity to be a Rare Earth hub.

Rare earths are key components in renewable technologies such as wind turbines, electric vehicles and solar panels. As such, they are critical to the clean energy revolution.

Viridis have requested Hatch to complete a Scoping Study for a rare earths refinery located in Brazil.

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

Hatch is uniquely placed to deliver the Scoping Study with both in-country experience and a substantial global rare earths refinery project resume.

---

## Objectives

The key objectives from the Scoping Study are to:

- Develop a suitable base case flowsheet and project design basis.
- Develop scoping level capital and operating costs.
- Utilise in-country support to assist cost development and a high-level assessment of infrastructure requirements based on the selected plant location.
- Develop a high-level project execution strategy and schedule including a workplan for the next project phase. This will also include agreement on critical trade-off studies that should be completed.
- Integrate with the separate Hatch scope “Scoping Study Support” which includes input to flowsheet development, testwork guidance and input to strategies for plant(s) configuration relative to deposit locations.

---

## Scope of Work

The scope of work is separated into discrete Work Packages (WPs) and is described in the following section:

### WP1 Define Study Basis

- **Desktop Review** – review of existing information from VMM. Integration of outcomes from “Scoping Study Support”.
- **Environmental Input** – in-country input to project design basis in terms of plant emissions and residue disposal. (Environment Impact Assessments by Others).
- **Project Design Basis (PDB)** – document key project design basis information including plant throughput, feed properties, water quality, required final products, plant availability, design margins, climatic data, emissions, and residue disposal criteria/constraints. VMM review and sign-off early in the Scoping Study is essential.

### WP2 Trade-off Studies

- **Reagent Selection** – prepare a memo summarizing findings of a review of potential leaching reagents including Amsul, sodium sulphate or other, including brief assessment of cost and availability in the region.

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

- **Residue disposal** – prepare a memo summarizing findings of a review of options for residue disposal and deposition of clay material. Review will include input from Hatch tailings/residue SME.

## **WP3 Process and Plant Design**

- **Process Design Criteria (PDC)** – prepare a PDC which will include key equipment design criteria.
- **Block Flow Diagram (BFD)** – prepare a process schematic in Visio for the primary processing steps to achieve the desired end product(s).
- **Process Flow Diagrams (PFDs)** – prepare PFDs in Visio for the process plant, reagents and utilities areas. An allowance for up to 20 PFDs has been included. Equipment redundancy and surge will be selected to target the plant operating factor.
- **Mass and Energy Balance inc. stream tables** – prepare a SYSCAD process model for a single flowsheet option. Stream tables will be generated to provide sufficient data for equipment sizing and selection.
- **Major equipment sizing and selection** – major equipment items will be sized and suitable technologies selected to achieve the process duty. This will include tanks, agitators, filtration equipment, mixer settlers, and calciners. Sizing methodology will either be first principles or based on benchmark information.
- **Process description** – a process description will be prepared to document base case flowsheet. This will form part of the final report.
- **Mechanical Equipment List (MEL)** – prepare a MEL capturing details from the mass and energy balances, equipment sizing and benchmark information. This will include electrical power demand.
- **Preliminary 3D Model and Plot Plan** – prepare a preliminary 3D model to illustrate the key mechanical equipment items, in-plant roads, non-process infrastructure (control rooms, admin buildings, laboratory, change rooms, workshops and security). Piping and structural elements will not be included. A 2D plot plan will be generated and annotated.
- **Cost and quantity benchmarking** – review in-house data for similar recent equipment pricing. Where not available, consider preliminary Vendor enquiries for major equipment items. Using the 3D model, develop indicative bulk commodity quantities using discipline input and use this information to validate the CAPEX lang factors.
- **Next project phase testwork definition** – prepare a high-level outline of next phase testwork to enable plant design development and risk mitigation. Discussions with VMM on a potential pilot plant will be considered.

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

## **WP4 Infrastructure**

- **Project site requirements** – develop preliminary considerations for in-plant roads, stockpiles, pads, reagent and product storage and NPI buildings.
- **Water supply** – establish water demand for process plant and comment on VMM water supply options noting past experience in the region.
- **Power supply** – establish power demand for process plant and comment on VMM power supply options noting past experience in the region.

## **WP5 Project Cost and Implementation**

- **CAPEX** – the capital cost estimate will be generated by pricing the major mechanical equipment items using in-house data. Lang factors will be used to determine the costs associated with earth works, concrete, civil, structural steel, piping, electrical and instrumentation. Indirect costs including EPCM, temporary facilities and Owners costs will be calculated as factored allowances based on historical data (unless VMM advise specific cost provisions for Owners costs). Contingency provisions will be agreed with VMM. A basis of estimate will be summarised in the final report. Overall cost benchmarking will be used to sanity check the CAPEX.
- **OPEX** - An operating cost estimate for the process plant will be prepared based on the inclusion of the main operating cost items of reagents, consumables, labour, power, fuel and maintenance and any other specifically identified cost factors for the project. Reagent, chemical, consumable, fuel and water consumption rates will be determined from the mass balance output or similar operations. Unit costs for reagents, consumables, fuel, water, will be sourced from either the Hatch database or VMM. Maintenance will be factored from the equipment capital costs. A basis of estimate will be summarised in the final report. Overall cost benchmarking will be used to sanity check the OPEX.
- **High-level Project Execution Strategy (PES) and schedule** – prepare a high-level PES that will define the approaches to and methodologies for engineering, procurement, construction, commissioning and operational readiness. An indicative project schedule will be prepared to show the overall duration and sequence of critical activities required to design, procure, construct and ramp up the refinery. The schedule developed will integrate with VMM requirements.
- **High-level next project phase workplan** - develop a workplan and schedule for the next project stage in consultation with VMM.

## **WP6 Results Presentation/Reporting**

- **Final report** - the final report will tie together the above project definition and costs.
- **Final presentation** – a final presentation will be delivered at VMM offices to conclude the Scoping Study and summarise the key outcomes.

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

## **WP7 Project Management, Cost and Document Control**

- **PM, Cost and Doc Control** - A Project Manager will be assigned to the Scoping Study to coordinate the project team, interface with VMM, and deliver the project according to the outlined scope, schedule and cost. Weekly meetings with VMM are proposed across the 16-week period via Teams, attended by the Project Manager and Process Lead. A document controller will be responsible for supporting issue of final deliverables.

## **Inputs required from VMM**

The following list of initial inputs from VMM are requested. Additional information may be requested at commencement of the Study.

- Feed composition / head grade.
- Annual production rates, required final product(s), and quality. It is understood that VMM are considering production of rare earth oxides (REO) separated as light rare earth oxides (LREs – Nd, Pr) and heavy rare earth oxides (HREs -Tb, Dy). Alternatively, VMM could produce an intermediate mixed rare earth carbonate.
- Plant location, topography and any geotechnical information.
- Facility life (years).
- Plant operating factor (%).
- Reagent and product storage capacity (no. of days).
- Fuel type and properties.
- Raw water composition.
- Relevant past studies and available testwork.

## **Battery Limits**

The following battery limits are assumed:

- Mine/ROM.
- Water at plant boundary.
- Power at plant boundary.

## **Exclusions/Clarifications**

The following scope / clarifications are noted. Hatch can incorporate some of the scope items if requested, and at the appropriate time.

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

- Weather Studies – it is assumed that reagent and product storage will require coverage from inclement weather. A detailed review of weather impacts has been excluded.
- Beneficiation Options – the base case flowsheet will adopt a single option, which will likely include a roll tooth crusher and screen. A review of alternative options has been excluded. Scouting testwork to support evaluation of recovery with particle size is recommended.
- Separation Technologies – the base case flowsheet will adopt a single option to separate the rare earth products, which will likely be solvent extraction (SX) technology. A review of alternative options (such as ion exchange (IX), or progressive precipitation and filtration) has been excluded.
- Plant location study – Hatch will take input from VMM on the base case plant location.
- Reagent and product transport logistics – logistics assessments have been excluded. This work could entail the identification and evaluation of options for the movement of commodities from site to destination, inclusive of depots, transport, equipment, port and vessel elements. It could also include an assessment of transport windows for construction and operational deliveries. Engagement with third party logistics companies is also excluded.
- Water supply infrastructure – it is assumed that water will be supplied to the plant battery limit. Design of water supply infrastructure is excluded. VMM will likely consider options to supply from borefields or nearby rivers.
- Power supply infrastructure – it is assumed that power will be supplied to the plant battery limit. Design of power supply infrastructure is excluded. VMM will likely consider options to supply from the local grid (hydropower) via a power purchase agreement (PPA).
- External roads infrastructure – roads scope external to plant boundary are assumed to be by Others.
- Environmental Impact Assessment (EIA) – assumed by Others.
- Permitting activities – assumed by VMM.
- Geotechnical assessments – assumed by Others.
- Market assessments and financial modelling – assumed by VMM.
- Project risk assessments – excluded.
- No travel costs have been allowed.

## Study Schedule

The Scoping Study schedule is based on completing the works across a 16 week period. An indicative outline of key activities is shown below.

Activity/Milestone	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16
WP1 - Define Study Basis																
Desktop review and environmental input																
Project Design Basis (PDB)																
WP2 - Trade-off Studies																
Reagent selection																
Residue disposal																
WP3 - Process and Plant Design																
Process Design Criteria (PDC)																
Block Flow diagram (BFD)																
Process Flow Diagrams (PFDs)																
SysCAD M&EB and stream tables																
Major equipment sizing and selection																
Process description																
Mechanical Equipment List (MEL)																
Preliminary 3D model and plot plan																
Next phase testwork definition																
WP4 - Infrastructure																
Project site requirements																
Water and power supply																
WP5 - Project Cost and Implementation																
CAPEX																
OPEX																
High level PES and schedule																
High level next phase workplan																
WP6 - Results Presentation/Reporting																
Slide pack to present conclusions																
Final Scoping Study Report																

## Hatch Project Team

The following Scoping Study team is proposed:

- Ross Forzatti – Project Manager.
- Rob Buratto – Principal Process Consultant.



Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

- Natalie Eldridge – Senior Process Engineer.
- Mitchell Humphreys – Process Engineer.
- Aaron Parker – Estimating Lead/Input.
- Andrew Bodley – Tailings/Residue SME.
- Samuel Manning – Mechanical Designer.
- Francisco Nunes – In-Country Executive.
- Marcela Sena – In-Country Environmental Engineer.
- Thais Carreira – In-Country Minerals Processing Engineer.
- Marinez Vieira – In-Country Estimating Input.

Biosummaries for key roles are provided below:

***Ross Forzatti – Project Manager.***

21 years' experience in engineering consulting for several clients and projects in the metals and energy sector for all levels of project definition including FEED, Detailed Design and Execution. Roles held ranging from Lead Process Engineer, Testwork Manager, Site Engineer and Project Manager. Site experience ranging from piloting, commissioning and construction supervision.

Ross has Project Managed several rare earth and battery metals (lithium, nickel) projects for clients such as Arafura, Iluka, POSCO, BHP, Albemarle and European Metals. Ross leads business development opportunities for several Base Metals clients and is Practice Lead for the Pyrometallurgy Group in Australia.

***Rob Buratto – Principal Process Consultant.***

Rob has more than 38 years' experience in managing design teams working from the process concepts stage through to commissioning operations for brownfield and greenfield developments in the base metals: gold, diamond, alumina, tantalite, kaolin, lithium carbonate, uranium, zinc, cobalt and nickel sectors.

His experience includes feasibility studies, flowsheet development and conceptual design work on a variety of physical beneficiation hydrometallurgical and pyrometallurgical processes in the mineral processing industry. Rob has undertaken roles as process consultant, lead process engineer, design and engineering manager for various studies in a variety of mineral commodities.

Rob has experience in rare earth processing through the completion of a number of rare earth projects including the Arafura Nolans DFS and FEED, ASM Dubbo Zirconia and Rare Earth Project DFS, Iluka Wimmera Rare Earth Project PFS, Peak Resources Ngualla Project PFS and the Northern Minerals Browns Range Rare Earths Project PFS.

***Natalie Eldridge – Senior Process Engineer.***

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

Natalie is a senior process engineer with experience across nickel, cobalt, lithium, rare earths and vanadium. She has been involved in a variety of studies, developing process deliverables from the process design criteria and process flow diagrams through to equipment sizing selection and capital and operating expenditure estimates.

She also has practical experience, working as a plant engineer at a nickel/cobalt processing facility. Her work there included daily plant monitoring, as well as conducting testwork studies and troubleshooting to optimize plant performance.

Recently, she has been working as the Process Lead on Arafura's Nolans Rare Earths Project, optimizing the design of the greenfield rare earths plant. Previously, she also worked on the ASM Dubbo Zirconia and Rare Earth Project DFS and variations, namely the Korean Metals Plant, Small Modular Plant and Market Sample Plant.

### ***Aaron Parker – Estimating Lead.***

Aaron is the Australia-Asia Regional Estimating Manager with the responsibility for reviewing capital estimates and leading the team to complete quality estimates following sound estimating procedures. Aaron has over 19 years of experience in Capital Cost Estimating along with a construction / trade background who has led and been part of the estimating team on multiple projects throughout the world ranging from Concept to Definitive Feasibility studies.

Aaron has recently led the capital estimate on multiple closure projects including Arafura Nolans Project DFS, Dubbo Zirconia Project, Covalent Lithium Concentrator & Refinery and Northern minerals Browns Range.

### ***Andrew Bodley – Tailings/Residue SME.***

Andrew is a civil engineer with postgraduate qualifications in geotechnical engineering. He has more than 20 years' experience in the design and management of tailings facilities for the mining industry and developed Hatch's global tailings business from 2011 to 2016. He has gained experience in a broad range of civil infrastructure and mining projects.

Andrew has extensive experience in the analysis and design of dry stack tailings facilities to store alkaline red mud produced from the Alumina refining process. He has been previously involved in the design and construction management of NAE and SR dams at Iluka's Narngulu facility near Geraldton, Western Australia. His focus has been the investigation and civil/geotechnical design for upstream embankment raises on the soft residue and investigation of sites for proposed Greenfields residue areas. Recently Andrew was the area manager and technical lead for the LUCY dry stack residue project in New Caledonia. The scope included detailed engineering analysis for conversion of a nickel laterite slurry residue impoundment to receive dewatered residue from a filter press operation.

### ***Francisco Nunes – In-Country Executive.***

Francisco has extensive experience in engineering, with over 25 years of experience in engineering and implementation of capital projects for mining in Brazil and abroad for large

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

companies, such as Rio Tinto, Vale, Mosaic, Tara, Eurochem, Bunge, Fosfertil, MRN Mineração Rio do Norte, Votorantim, and others, including all phases of engineering development, from study to implementation. Among the large-scale projects, the S11D Project for iron ore processing in Pará (Vale) stands out.

Solid knowledge in Project Management and Engineering Management: Planning, Contract Management, Supplies, Scope Management, among others, including methodology, process legislation and technology.

***Thais Carreira – In-Country Process Engineer.***

With over 12 years of experience, Thais started her career as a mineral and metallurgical process engineer with effective participation in projects from FEL1 to FEL4, as well as in the construction, commissioning, start-up, and operational support of mineral and metallurgical processing plants. Among her personal characteristics, Thais stands out for her critical thinking and her strategic vision of the business, which led to her appointment as Process Lead at Hatch's Belo Horizonte office and her involvement in the company's strategic planning, in addition to her role as Project Manager. As Process Lead, she is responsible for the coordination of the discipline, which includes the supervision of > 15 mineral processing, hydrometallurgy and pyrometallurgy engineers and continuous improvement of the discipline deliveries, which involve the design of process routes, development of process flow diagrams, mass and metallurgical balances, equipment sizing, trade-off studies and financial analysis, among others. With PMP® certification, she has also worked as a Project Manager, acting in the leadership and coordination of multidisciplinary engineering studies and projects, greenfield and brownfield, especially in the conceptual phase, with direct interaction with the client. Recently, Thais had focused her career on leading critical minerals projects, more specifically lithium and rare earths. Thais is currently managing the Taboca Hydrometallurgical Plant project, with conclusion forecast for February 2024.

***Marinez Vieira – In-County Estimator.***

Marinêz Vieira is a civil engineer with a degree from FUMEC. She has around 13 years' experience in cost estimates (CAPEX and OPEX) and trade-off studies for large-scale industrial projects, mainly in the minerals sector for processing plants, pumping stations, long-distance pipelines, ports and terminals, for all classes of estimates including Order of Magnitude, Pre-Conceptual, Conceptual, Basic and Detailed. Extensive knowledge of international guidelines and standards, AACE (American Association of Cost Engineering) and the FEL Methodology. She worked as coordinator of the economic engineering and procurement team at Ausenco and is now a Senior Estimating Lead at Hatch.

***Marcela Sena – In-Country Environmental Engineer.***

Experience in the environmental sector, especially in environmental management for full EPCM portfolio (management system for environmental licenses, treatment of performance indicators and activities carried out in plans and programs for the control and monitoring of social and environmental impacts). Providing full support regarding preparation of environmental studies

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

and permitting. Experience in consulting, due diligences for transactions, review of conception, trade-off studies and design of projects for environmental compliance, environmental management of the construction works. Knowledgeable also of management tools such as integrated management system (ISO 9001, 14001 and 45001).

Full coordination of execution of environmental plans and programs in the implementation phase of underground polymetallic and gold mining projects. Coordination of social and environmental management of onshore wind complex construction works. Coordination of ESIA as well as development and management of execution of Environmental Control Programs (PCAs), enterprise characterization to build a comprehensive description of the project focusing on environmental aspects for both construction and operation phases.

---

## **Commercial Offer**

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

Hatch will perform the work outlined in this Offer for Engineering and Consultancy Services in accordance with the attached Professional Services Terms and Conditions. This letter, the

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

Statement of Work, and Hatch Standard Terms and Conditions form the whole agreement between Viridis Mining and Minerals Pty Ltd and Hatch.

This offer remains valid for a period of 30 days from the date of this letter.

---

## Acceptance of Offer

Viridis Mining and Minerals Pty Ltd accepts this proposal and requests Hatch to undertake the assignment as detailed above.

Signed on behalf of Hatch by:



Signed on behalf of Viridis Mining and Minerals Pty Ltd by:



---

**Name:** Ross Forzatti  
**Title:** Project Manager, Associate,  
Hatch  
**Date:** 13 February 2024

---

**Name:** Rafael Moreno  
**Title:** Chief Executive Officer  
**Date:** 14 Feb 2024

Rafael Moreno  
Chief Executive Officer  
Viridis Mining and Minerals Pty Ltd  
13 February 2024

---

## Attachment A – Terms and Conditions



### CLAUSE 1 AGREEMENT

1.1 Unless a written agreement is entered into, Client's acceptance of a proposal (the "Proposal") from the Hatch company submitting the Proposal ("Hatch") or a request by Client for some or all of the services included in the Proposal, constitutes a binding contract between Client and Hatch (the "Agreement"). The Agreement incorporates and is subject to these Terms and Conditions and the terms and conditions included in the Proposal, including the description of the services to be provided by Hatch (the "Services"). If there is any conflict between the Proposal and these Terms and Conditions, these Terms and Conditions will govern. Any terms appearing on any orders or other documents produced by or on behalf of Client are excluded unless they have been specifically accepted in writing by Hatch.

### CLAUSE 2 HATCH SERVICES AND RESPONSIBILITIES

2.1 Hatch will (a) perform the Services with due care, skill and diligence in accordance with the standard of care normally exercised by professionals providing similar services under similar circumstances, and (b) reperform at its cost any Services that fail to comply with this standard, provided that Hatch may instead opt to refund to Client all amounts paid in respect of such Services if it determines that reperformance is not practicable.

2.2 Hatch will comply with all applicable laws and site policies and procedures, including those relating to safety and security; but, unless otherwise agreed, Hatch is not responsible for overall site safety or security at any Client premises or the project site.

2.3 Unless otherwise agreed, Hatch can rely without verification on all information provided by Client or by third parties on behalf of Client.

2.4 Hatch will have in effect for the duration of the Services (a) workers compensation coverage in accordance with statutory requirements, (b) commercial general (or public) liability insurance (\$5,000,000 per occurrence); and (c) automobile liability insurance (\$5,000,000 per occurrence).

### CLAUSE 3 CLIENT RESPONSIBILITIES

Client will (a) make available to Hatch all information, documents and assistance required in connection with the Services, (b) make decisions and provide approvals in a timely manner and obtain all necessary project authorisations and permits, (c) notify Hatch if it becomes aware of any matter that may change the scope, timing or complexity of the Services, (d) act reasonably and in good faith, (e) comply with applicable laws, and (f) maintain insurance to limits which are normal and customary in the circumstances and Client, on behalf of itself and its insurers, waives all rights of subrogation against Hatch for, and releases Hatch from any liability for damage to Client's property to the extent that Client is compensated for such damage under an insurance policy.

### CLAUSE 4 INVOICING, PAYMENT AND TAXES

4.1 Unless otherwise provided in the Proposal and subject to Clause 4.2, (a) Services (including any additional services provided at the request of Client or pursuant to Clause 4.5) and related costs incurred by Hatch in connection with the Services will be charged to Client in accordance with Hatch's schedule of rates or the amount agreed in the Change Order, (b) amounts invoiced to Client by Hatch are due and payable within the period stated in Hatch's schedule of rates or, if not so stated, within 14 days of receipt of invoice by Client, and (c) interest will be paid on past due amounts at the rate stated in Hatch's schedule of rates.

4.2 If an advance payment or security deposit amount is specified in the Proposal, such amount will be paid by Client prior to Hatch commencing the Services and will be held by Hatch as security for payment. Hatch may apply these funds against any amounts owing by Client to Hatch and will return any remaining amounts to Client upon receiving full payment for the Services.

4.3 Hatch's rates are exclusive of all taxes, duties, royalties, levies and other governmental or regulatory charges, other than taxes on payroll and Hatch's net income in the Jurisdiction. If any such taxes, duties, royalties, levies or charges are levied on or applicable to amounts payable to Hatch, they will be borne by Client and (a) if Hatch is required to pay any such taxes, duties, royalties, levies or charges, the amount of such payments will be reimbursed to Hatch by Client, and (b) if they are required to be withheld or deducted from amounts payable to Hatch, the amounts payable will be grossed up so that Hatch receives the entire amount that is due pursuant to the terms of the Agreement.

4.4 If Client disputes any portion of an invoice, it will pay those amounts that are not in dispute and notify Hatch in writing of the reasons for the dispute within 10 days of receiving the invoice. Failure to notify Hatch of the dispute within the required time will be treated as acceptance of the invoice. If it is determined that any amounts in dispute should have been paid at the time it was invoiced, then Client will promptly pay such amount, together with interest at the rate set out in Clause 4.1.

4.5 Hatch shall be entitled to a Change Order in the event of any Scope Changes and shall not be required to proceed with any change to the Services in advance of the execution by both parties of the relevant Change Order.

### CLAUSE 5 LIABILITY AND INDEMNITY

5.1 To the maximum extent permitted by law and notwithstanding and superseding anything to the contrary in the Agreement:

- (a) Clause 2.1(a) sets out Hatch's sole warranty respecting the Services and Clause 2.1(b) sets out Hatch's sole obligation and Client's sole remedy in connection with any breach of Clause 2.1(a) (and Client will not otherwise have any recourse against Hatch in connection with any errors or omissions in the Services);
- (b) subject to Section 5.2, the aggregate liability of Hatch arising in connection with the Agreement is limited to (i) the amount of the professional fees paid to Hatch pursuant to the Agreement up to \$100,000, plus (ii) 10% of such fees paid in excess of \$100,000; provided that in no event will Hatch's aggregate liability exceed \$1,000,000;
- (c) Hatch has no liability to Client for any losses, damages or costs that can be construed as an indirect, special, punitive or consequential losses, damages or costs; and
- (d) any claim, action or proceeding against Hatch in connection with the Agreement, including any warranty claims under Clause 2.1, must be made within 12 months of the earlier of completion of the Services and termination of the Agreement.

5.2 Hatch's liability for claims or losses covered by the insurance policies referred to in Clause 2.4 is limited to the proceeds of insurance up to the amounts specified in Clause 2.4.

5.3 Client indemnifies, defends and holds harmless Hatch for any claims, actions, proceedings, liabilities, losses, damages or costs that Hatch suffers or incurs (a) in connection with the Services and which result other than from a breach of the Agreement by Hatch, (b) as a result of any breach of the Agreement by Client, (c) as a result of site conditions that were unknown to Hatch at the time of entering into the Agreement, or (d) as a result of third party use of, or reliance on, any information or deliverable provided by Hatch to Client in connection with the Services.

### CLAUSE 6 USE AND OWNERSHIP OF INFORMATION

6.1 Each party retains title to all intellectual property (including all patents, trademarks, copyright, trade secrets and know how) owned or possessed by it or any of its affiliates and used by it in fulfilling its obligations under the Agreement, including any modifications or improvements made thereto ("Background IP"). All new and original intellectual property created by Hatch during the course of performing the Services ("Project IP") is the property of Hatch. Hatch grants Client a non-exclusive, non-transferable and, unless otherwise agreed, royalty-free license to use (a) any Hatch Background IP used in the performance of the Services but only to the extent required to use any deliverables provided by Hatch for the purpose for which they have been provided and (b) Project IP for any purpose whatsoever; provided that Client has no right to receive or use proprietary information or coding that is embedded in Hatch's project systems, software or electronic copies of deliverables and Client will not modify any Hatch deliverables unless it has first removed Hatch's name and logo from the deliverable.

6.2 Upon receipt of full payment for the related Services and subject to the other provisions of this Clause 6, all reports, drawings and other deliverables provided to Client by Hatch will become the property of Client.

6.3 Any information or deliverable provided by Hatch to Client in connection with the Services is provided solely for Client's use and for the specific purpose for which the Services were engaged. Unless otherwise agreed by Hatch in writing, in no case will (a) any such information or deliverable be made publicly available or used in connection with any financing, sale or investment transactions, or (b) Hatch's name be used in any of Client's public disclosure or filings.



6.4 Each party will keep confidential all Confidential Information disclosed to it by the other party; provided that (a) Hatch is able to disclose Client's Confidential Information to those persons who need to know such information for purposes that relate to the performance of the Services, (b) Client is able to disclose Hatch's Confidential Information to the extent required in connection with the purpose for which the information was disclosed, and (c) either party is able to disclose Confidential Information where it is required to be disclosed by law, provided that the receiving party immediately notified the disclosing party of the requirement to disclose and allowed the disclosing party to take reasonable steps to lawfully resist or narrow the requirement to disclose the Confidential Information. Except as specifically provided herein, neither party will acquire any right, title or interest in or to the Confidential Information of the other party.

6.5 "Confidential Information" means any information in any form disclosed by or on behalf of one party to the other party at any time before or after the execution of the Agreement in connection with the Services; excluding only information which (a) was at the time of disclosure or thereafter became part of the public domain through no act or omission of the receiving party, (b) became available to the receiving party from a third party who did not acquire such confidential information under an obligation of confidentiality either directly or indirectly to the disclosing party, or (c) was known to the receiving party at the time of disclosure by the disclosing party and such knowledge can be demonstrated by written records that were in existence at the time of disclosure.

#### CLAUSE 7 TERMINATION AND SUSPENSION

7.1 Client may suspend the Services or terminate the Agreement for its convenience on 30 days prior written notice to Hatch; provided that, if the aggregate duration of all suspensions under the Agreement exceeds 60 days, Hatch will have the right to terminate the Agreement.

7.2 Either party may terminate the Agreement immediately if anything happens to the other party that reasonably indicates that there is a significant risk that the other party is or will become unable to pay its debts generally as they come due.

7.3 Either party is entitled to terminate the Agreement on 14 days prior written notice to the other party in the event that the other party is in substantial default under the Agreement and such default has not been corrected or reasonably commenced to be corrected within 14 days following notice of such default. Hatch may, by providing 5 days prior notice to Client, suspend Services if Client is in breach of Clauses 3 or 4.

7.4 In the case of any suspension or termination of the Agreement, Client will pay Hatch for all Services provided and costs incurred up to the effective date of suspension or termination, including all reasonable demobilization costs.

7.5 Hatch makes no warranty and has no continuing obligations in respect of any deliverables that are incomplete as of the date of any termination or suspension.

#### CLAUSE 8 NON-SOLICITATION

Initials : 

Neither party will, during the term of the Agreement ~~or for 12 months thereafter~~, either directly or indirectly on its own behalf or jointly with or on behalf of any other person, solicit, engage or employ any employee or independent contractor of the other party (or any of its affiliates) that has been involved in the provision of Services or with whom the party has otherwise had contact in connection with the Agreement.

#### CLAUSE 9 DEFINITIONS AND INTERPRETATION

9.1 Reference to (a) "affiliate" means with respect to a party, one or more entities that control, are controlled by, or are under common control with, the party, (b) "Change Order" means a written agreement between the parties amending the terms of the Agreement, including price and schedule, to the extent fair and reasonable in the circumstances as a result of a Scope Change, (c) "costs" means any and all costs and expenses, including reasonable legal fees, (d) "force majeure" means acts of God, strikes, lockout, other industrial action, war or civil disturbance, terrorism, unusually inclement weather, storm, flood, earthquake, lightning, fire, explosion, nuclear or radioactive contamination, epidemics or pandemics, governmental action or inaction, extraordinary market conditions affecting the availability of labour, late or inadequate execution of work or supply of goods by third persons and any other event beyond the reasonable control of the affected party, (e) "Hatch's schedule of rates" means Hatch's standard hourly rates and reimbursable charges as notified by Hatch from time to time, provided that any changes to the schedule of rates will be communicated to Client before they take effect and will not occur more than once every six months, (f) "liability" includes any and all liability whatsoever, whether arising under the law of contract, tort (including negligence), equity, statute or otherwise, whether arising in connection with the performance or non-performance of the Services or otherwise in connection with the Agreement and whether to Client or other

persons, and "liable" has a corresponding meaning, (g) "Scope Changes" means (i) any change to the Services, or (ii) any other event or circumstance that is outside of Hatch's control and impacts the timing or sequencing of, or work effort required by Hatch to complete, the Services (typically by requiring rework or by preventing Hatch from performing Services in the manner or sequence originally planned), (h) "site conditions" means any conditions in, on, under or around the project site that affect the project or the performance of Services, including any plant and subsurface conditions and any hazardous substances, waste or materials, (i) "Jurisdiction" means the jurisdiction in which Hatch's contracting office is located, and (j) "\$" means the currency of the Jurisdiction where it is in Canada or Australia and, in all other cases, it is a reference to US dollars.

9.2 If any provision of the Agreement is held to be void, illegal or unenforceable, then (a) it is severed and the rest of the Agreement remains in force, and (b) the parties will replace the provision with one that is in accordance with applicable law and as close as possible to the parties' original intent. Any rules of contract interpretation that result in the Agreement being construed contrary to the interests of either party do not apply in the interpretation of the Agreement.

#### CLAUSE 10 GENERAL

10.1 The Agreement will be governed by and construed in accordance with the laws of the Jurisdiction, without giving effect to conflict of law considerations. All disputes will be submitted to senior management for discussion. If the parties are unable to resolve a dispute through such discussions, either party may submit the dispute to the International Chamber of Commerce ("ICC") for resolution in accordance with its rules then in force. The arbitration will be held in English and at the location of Hatch's contracting office. The arbitration panel will consist of one arbitrator selected by the ICC in accordance with its rules. Any arbitration award will be final and binding on the parties without any right of appeal. The unsuccessful party will bear the costs of arbitration. No legal proceedings may be commenced by either party in connection with the Agreement or the Services other than in accordance with this Clause; provided that either party may apply to a court of competent jurisdiction for interlocutory relief during the course of such proceedings or to enforce any order or award obtained in accordance with this Clause.

10.2 The Agreement represents the entire agreement between the parties regarding the subject matter hereof and supersedes all prior representations, understandings or agreements; provided that, if the parties have previously entered into a confidentiality (or similar) agreement regarding the subject matter hereof, such agreement will survive and Clauses 6.4 and 6.5 will be of no force and effect. Amendments to the Agreement are effective only if executed in writing by authorized representatives of both parties.

10.3 Neither party may assign (other than to its affiliate) the Agreement or any interest therein, in whole or part, without the prior consent of the other party. The Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

10.4 Neither party will be considered to be in breach of its obligations under the Agreement, except obligations to make payment, to the extent that performance is prevented or delayed by force majeure. Each party will use best efforts to overcome any force majeure as soon as possible.

10.5 The limitations and exclusions on liability expressed in the Agreement will apply even in the case of the fault, negligence or strict liability of the party who is the beneficiary of the clause, and will extend to the officers, directors, employees, agents, representatives, subconsultants and affiliates of such parties.

10.6 Any notice, consent or other communication given hereunder will only be deemed to have been given if it is in English, in writing and is sent to the recipient's authorized representative at the usual business address of the recipient by (a) registered mail, (b) fax, (c) e-mail (but only when receipt is confirmed in writing by reply e-mail or otherwise) or (d) personal delivery for which a receipt is obtained. Notice given by fax, personal delivery or e-mail will be deemed to have been given on the business day following delivery. Notice given by mail will be deemed to have been given on the fifth business day after mailing.

10.7 No waiver by either party of any breach of the Agreement will be binding unless made in writing and any such waiver will extend only to the specific breach waived and not to any future breach.

10.8 Hatch is an independent contractor in performing the Services. Nothing in the Agreement will create or will be construed so as to create the relationship of principal and agent between Client and Hatch.

10.9 The provisions of Clauses 1, 4, 5, 6, 7.4, 8 and 10 survive the termination of the Agreement.