

SPECIFIC COOPERATION AGREEMENT

BETWEEN

THE GEOLOGICAL, MINING AND METALLURGICAL INSTITUTE OF THE ENERGY
AND MINES SECTOR OF THE REPUBLIC OF PERU

AND

THE FEDERAL INSTITUTE OF GEOSCIENCES AND NATURAL RESOURCES OF
THE FEDERAL REPUBLIC OF GERMANY (BGR)

ABOUT

GEOCHEMICAL TAILINGS SAMPLING AND TRANSFER OF MECHANICAL DRILLING EQUIPMENT

This Specific Cooperation Agreement, hereinafter "**The Agreement**" is entered into by and between the Geological, Mining & Metallurgical Institute of the Energy and Mines Sector, of the Republic of Peru, with RUC N° 20112919377, domiciled in Av Canada 1470, San Borja, Lima, Peru, duly represented by its President of the Board of Directors, appointed by Supreme Resolution N° 009-2022-EM, published on March 9th 2022, hereinafter referred to as "**INGEMMET**"; and the other party, the Federal Institute for Geosciences and Natural Resources of the Federal Republic of Germany, domiciled in Stilleweg 2, 30655, Hannover - Germany, duly represented by the President of the "**BGR**", hereinafter referred to as "**BGR**", under the following terms and conditions.

Hereinafter **INGEMMET** and **BGR** together will be referred to as "the Parties". Both Parties' cooperation in the field of geology shall be mutually beneficial.

ARTICLE 1: BACKGROUND INFORMATION

On December 4, 2017, **BGR** and **INGEMMET** signed a Memorandum of Understanding for a period of five years, extendable by mutual agreement. The main purpose of this Memorandum of Understanding is the exchange of information and technical and scientific personnel through joint studies and research on topics of mutual interest; as well as other possibilities of cooperation that the Parties may find. One of the areas of cooperation considered in the Memorandum of Understanding is the assessment and evaluation of mining waste (tailings and dumps in Peru) and it is within this framework that the parties sign the Agreement.

ARTICLE 2: ABOUT THE PARTIES

2.1 **INGEMMET** is a Specialized Technical State Entity of the Energy and Mines Sector of the Republic of Peru. It is a legal person of the internal public law type, with technical, economic, and administrative autonomy, in charge of the basic geological **research** of the Peruvian territory and the awarding of mining rights to the private sector.

2.2 **BGR** is a public, scientific and technological organization subordinated to the Federal Ministry for Economic Affairs and Climate Action of the German government. It is a government entity acting as geoscientific competence center. BGR advises and informs the Federal government and private sector in relation with issues related to geosciences and natural resources. Likewise, as a national geological service of Germany, it provides advice to the Federal Ministry of Economic Cooperation and



Development (BMZ) and, on behalf of the latter, carries out technical cooperation projects in developing countries.

ARTICLE 3: LEGAL BASE

The joint activities between the **BGR** and **INGEMMET** will be conducted in accordance with the laws, statutes and regulations that apply in the Federal Republic of Germany and the Republic of Peru. In addition, the following agreements are applicable:

- Memorandum of Understanding between BGR and INGEMMET, signed on December 4, 2017.
- Addendum to the Memorandum of Understanding, signed on January 07, 2019.

ARTICLE 4: MAIN OBJECTIVE

The main objective of this Specific Agreement is the exchange of technical and scientific knowledge between the technical staff of **BGR** and **INGEMMET** through training in "Geochemical sampling of tailings and use of mechanical drilling equipment" and the receipt of the equipment for this purpose.

ARTICLE 5: THE PURPOSE AND CONTENT OF COOPERATION

5.1 Content of the Cooperation

This Agreement will cover the following aspects:

- 5.1.1 Knowledge transfer through training on geochemical tailing sampling and use of mechanical drilling equipment.
- 5.1.2 Handover of the mechanical drilling equipment to the Director of Mineral Resources and Energy of INGEMMET.

5.2 Work Plan

The general Work Plan is as follows, counted from the date of signing of the specific agreement:

MONTH 5

Training in: geochemical tailings sampling and use of mechanical drilling equipment. The equipment remains with INGEMMET after the training course.

MONTH 6

Receipt of the equipment.

ARTICLE 6: PROJECT TIMELINE

6.1 BGR and INGEMMET

The task of both teams will be to conduct training in "Geochemical sampling of tailings and use of mechanical drilling equipment", including transfer of the equipment to INGEMMET, within the term of the Agreement.



ARTICLE 7: COMMITMENTS OF BOTH PARTIES

7.1 BGR commitments:

- 7.1.1 Organization and Coordination of the BGR team that will conduct the training. The Project Director for BGR under the program "Regional Cooperation for the Sustainable Management of Mining Resources in the Andean Countries" (MINSUS) is authorized to organize and implement the PROJECT from the BGR side.
- 7.1.2 Provision of a **three-day specific training** to INGEMMET professionals participating in the research.
- 7.1.3 Procurement of mechanical equipment for geochemical sampling of tailings, which will remain with INGEMMET after the training. The mechanical equipment is a device for the execution of pile core probing, also known as ram core sounding, with impact hammer, drill pipes, core tubes and pipe extractor. The exact specifications of the drilling rig will be agreed between BGR and INGEMMET. The equipment shall be suitable to take soil samples in tailings ponds for a material evaluation of the deposit material even in difficult accessible terrain. The device shall be able to reach a final depth of up to 15 meters in typical tailings deposits.

7.2 INGEMMET commitments:

- 7.2.1 Coordination of the INGEMMET team that will participate in the training.
- 7.2.2 Provision of adequate office space for the BGR team during their stay in Peru under the project objectives.
- 7.2.3 Provision of logistical and administrative support for the import of the mechanical equipment, in coordination with BGR and the import company.
- 7.2.4 The costs of nationalization of the equipment, including customs brokerage costs, customs duties, the General Sales Tax (IGV) and the Selective Consumption Tax (ISC), as well as the hiring of a customs agent or agency for the nationalization process will be assumed by INGEMMET.

7.3 Mutual commitments of the Parties:

- 7.3.1 Both Parties commit to participate in the training "Geochemical sampling of tailings and use of mechanical drilling equipment".

ARTICLE 8: FINANCIAL ARRANGEMENTS

- 8.1 The estimated costs for the training and the drilling equipment will be covered by BGR (from the MINSUS project budget).
- 8.2 In the case of INGEMMET, the costs will be considered in the annual budget of the Institutional Operating Plan.

ARTICLE 9: ACHIEVEMENTS

The following achievements will be jointly made by both parties:

- 9.1 Capacity building by training of professionals to carry out tailings sampling and use of mechanical equipment for geochemical studies.



9.2 The procured tailings sampling equipment is provided to INGEMMET for use.

ARTICLE 10: PROJECT COORDINATION

10.1 Both parties shall respectively designate one person as project coordinator who shall be in charge of normal communication, communicate suggestions on behalf of his institution, negotiate with the other party, exchange information and documents, and organize domestic experts to finish the tasks which are undertaken by each party according to the confirmed plan.

BGR Coordinator:

Name: Achim Constantin
Director of Project MINSUS by the BGR
Department for International Cooperation (B4.1)
Address: Federico Froebel 1776/1778, Providencia
Santiago de Chile
Post code: 8010000
Tel: +56 934419695
E-mail: achim.constantin@bgr.de

Alternative BGR Coordinator:

Name: Jacob Mai
Deputy Director of Project MINSUS by the BGR
Department for Geology of Mineral Resources (B1.2)
Address: Av. Camino Real 348, of. 1502, Lima 27 - San Isidro
Post code: 8340422
Tel: +51 922 321 571
E-mail: jacob.mai@bgr.de

INGEMMET Coordinator:

Name: Jorge Acosta Ale
Director of Mineral Resources and Energy of INGEMMET
Address: Av. Canadá Nº 1470, San Borja,
Post code: Lima 41, Perú
Tel: (511) 618-9800
E-mail: jacosta@ingemmet.gob.pe

10.2 Functions of the coordinators:

- 10.2.1 Coordinate and establish a working group to implement the Agreement.
- 10.2.2 Verify that all mutual commitments of the Parties are fulfilled.
- 10.2.3 Facilitate the implementation of the Agreement.
- 10.2.4 Provide favorable conditions and take the necessary measures to ensure adequate implementation of the Agreement.
- 10.2.5 Identify and carry out actions to achieve compliance with the objective of the Agreement.
- 10.2.6 Follow up on the development of the Agreement and inform their respective representatives.



ARTICLE 11: NON EXCLUSIVITY

This Agreement shall not prevent the parties from entering into or implementing agreements with similar purposes in different geographical areas, with other legal persons under public or private domestic or foreign organizations, as well as with international organizations aiming at achieving the research objective of **INGEMMET** or **BGR**.

ARTICLE 12: DURATION OF THE AGREEMENT

This Agreement shall enter into force as of the signature of both Parties and shall continue six (06) months, and may be extended by agreement of both Parties, with prior written notice of no less than four (4) weeks.

ARTICLE 13: MODIFICATION, SUSPENSION AND TERMINATION OF THIS AGREEMENT

13.1 Modification

Any modification on provisions of this Agreement shall be made in an appendix, which shall include the periodical appraisal result concluded in the duration of this Agreement and shall be executed through the same procedure and manner as those of this Agreement by both Parties in written form.

13.2 Suspension

- 1) In the event that either Party cannot perform its commitments in this Agreement temporarily as a result of an incidental or a force majeure event, the period of performance suspension for the obligations set forth in this Agreement shall solely depend on the duration of such incidental or force majeure event.
- 2) The Party which is unable to perform its obligations shall notify the other Party for suspension of this Agreement and state the reasons.

13.3 Termination

This Agreement will be terminated by any of the following reasons of:

- 1) Any breach of this Agreement without any reasonable cause; or
- 2) The failure to perform this Agreement or the failure to perform commitments, as a result of an incidental or a force majeure event and upon the mutual consents of both Parties.

In case of the breach of this Agreement without any reasonable cause, the suffering Party shall notify the other Party with a simple document, and if no response within fifteen (15) working days upon the delivery of such notice, or if such breach isn't remedied in such period, the suffering Party is entitled to deem this Agreement has been terminated.

Notwithstanding the foregoing, this Agreement may be terminated by an agreement between both Parties, and such termination shall be in writing and the conclusion procedure of this Agreement shall be abided by, or in the event that either Party proposes to terminate this Agreement without any explanation, such Party shall notify the other Party with an anticipation of up to thirty (30) calendar days prior written notice.



Upon the termination of this Agreement, the unaccomplished commitments are deemed as unnecessarily to perform, excluding the case of an incidental or a force majeure event, and the on-going activities shall be accomplished. Both Parties shall take any necessary measure to prevent or reduce its losses or the losses incurred by any third party at its best efforts.

ARTICLE 14: SUPERVENING EVENTS

If for reasons of force majeure, either party is unable to comply with the obligations under this Agreement, this shall be communicated by written notice to the other party within a period of fifteen (15) working days thereof, providing the details related to the event. Situations of unforeseeable circumstances or force majeure shall release the parties from performance of obligations under this Agreement during the period of time that this situation persists. In case the event does not have a prompt solution, the parties are entitled to terminate this Agreement by mutual consent, as stipulated in Article 13.

ARTICLE 15: ADDRESSES AND NOTICES

All communications in connection with the Agreement to be exchanged between the parties shall be considered validly made if they are sent to the addresses set forth in the introductory paragraph of the Agreement.

Any modification to the above mentioned addresses shall be notified to the other party no less than ten (10) working days in advance of such modification, otherwise all the communications made to the above mentioned addresses in the introduction of the Agreement shall be considered validly made.

ARTICLE 16: SETTLEMENT OF DIFFERENCES

Any dispute, controversy or issues not provided in the Agreement or which might be generated in its interpretation or application shall be solved by looking for a direct understanding between the parties based on good faith and common intention. In such case, each party shall appoint its representative.

Such appointment shall be informed to the other party. In the event of controversy persists, it may be solved by arbitration, therefore, each party will appoint one arbitrator and a third arbitrator will be appointed by them.

ARTICLE 17: NO TRANSFER

Neither party may assign any of its rights under the Agreement, nor shall it assign its position in this agreement to any other third party.

ARTICLE 18: OFFICIAL LANGUAGES

This Agreement and the documents to be signed during its implementation shall be written in Spanish and English. The documents to be written in English shall be used for communication and additional interpretation purposes for a better performance of the parties.



ARTICLE 19: NON-BINDING CLAUSE

- 19.1 The parties concur into the Agreement by their own decision. Likewise, they can decide to end it, being necessary only to send a written notice to the other party pursuant to this non-binding clause. The Parties shall adopt the necessary measures to prevent or reduce any harm to themselves or to any third parties.
- 19.2 Both parties agree that the Agreement can be modified by mutual consent as an addendum. In that case due procedure steps should be followed.

ARTICLE 20: FINAL PROVISIONS

- 20.1 The decisions adopted and the summaries jointly made during the working meetings or coordination meetings and collaboratively convened by both parties, should conform to the Agreement.
- 20.2 The Agreement becomes effective since the date on which the representatives of the cooperation parties sign and approve it.
- 20.3 The Agreement is signed in four (04) equally valid copies, two in English and two in Spanish. Each party will keep one copy in each language respectively.

For:

Peruvian Geological, Mining &
Metallurgical Institute
(INGEMMET)


PhD. Luis Félix Mercado Pérez
President of the Board of
Directors

City: Lima
Date: 09.05.22

For:

Federal Institute of Geosciences and
Natural Resources of the Federal
Republic of Germany (BGR)



Prof. Dr. Ralph Watzel
President

City: Hannover
Date: 20.06.2022

Bundesanstalt für
Geowissenschaften und Rohstoffe
Stilleweg 2
30655 Hannover

