



Health, Safety, Environment, Labour & Community HSEC Policy

Tsodilo Resources Limited.

**Health, Safety, Environment, Labour &
Community (HSEC) Policy**

Version 2:

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BASED ON

International Best Practices OHSAS 18000, ISO 14000

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1 HSEC Policy Overview

Tsodilo Resources Limited and its Botswana incorporate subsidiaries, hereinafter collectively known as “Tsodilo” or the “Company” are committed to the implementation of a comprehensive Health, Safety, Environment, Labour and Community (HSEC) Policy, and most of all to ensure that this policy is made known to all its managers, staff, contractors, and partners, and that it is proactively implemented, reviewed, and updated.

This Policy and the attachments are aimed at ensuring that Tsodilo adheres to best practice Health, Safety, Environment, Labour and Community (HSEC) standards during all stages and all phases of exploration and development activities in Botswana. In addition Tsodilo will ensure that the activities of Contractors and Associates will be assessed against the Tsodilo standards.

Figure 1 below shows the elements involved in effective health, safety, environment, labour, and community management and is based on the Occupational Health and Safety Assessment Series (OHSAS 18000) and the IFC's Performance Standards and Environmental, Health and Safety Guidelines.

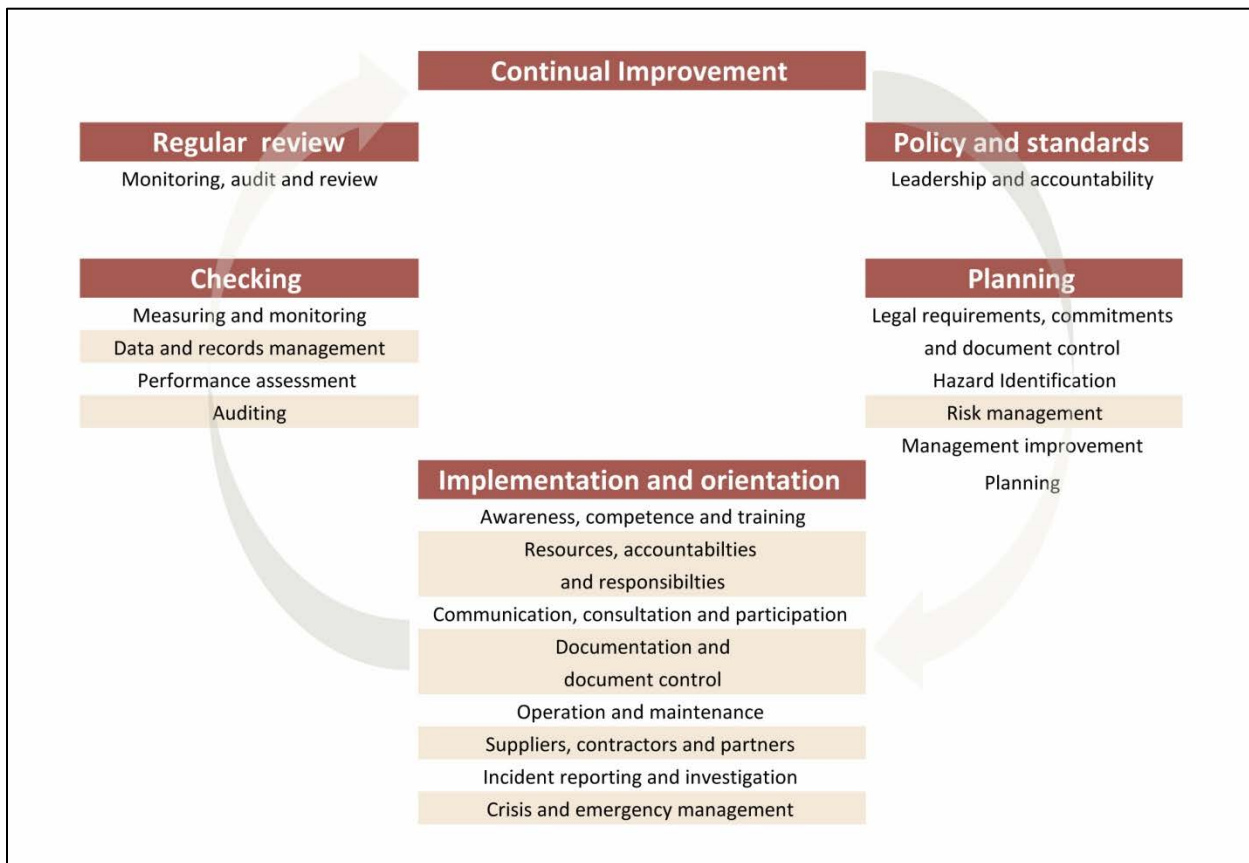


Figure 1: Elements of Tsodilo HSEC management standards.

Tsodilo is committed to proactive and sustainable health, safety, environmental management, and community best practice policies. Policy statements in each specific area are contained in this document

In respect of the above the Company will:

- ◆ Build on international best practices for exploration and mining;
- ◆ Implement environmental and social requirements as laid down by the Botswana authorities;
- ◆ Implement labour, health and safety best practices;
- ◆ As a minimum, comply with national laws and regulations, and in compliance with IFC Performance Standards and Environmental, Health and Safety Guidelines;
- ◆ Establish and implement appropriate communication, consultation and information disclosure plan and procedures taking all stakeholders into consideration.

The Company will ensure that wherever possible and necessary it will assist in the development of sustainable local policies and procedures that will minimize the impact of exploration and mining on the natural landscape and local communities, and which will ensure a safe and healthy environment for the communities and natural resources, including wildlife, that may reside in the areas where exploration and possible subsequent mining may occur.

The above principles will also apply in respect of the approach to health and safety for all employees and those individuals, communities and companies that may become involved with or affected by the planned exploration programme, and all subsequent evaluation and mining programmes.

Appropriate community liaison, disclosure and interaction will be undertaken at all stages by Tsodilo Resources Limited. The level of consultation and disclosure will increase with the increased scale of activities.

In addition to the Policy Documents and Guidelines presented below all users of this material should also refer to the Annexures at the end of this document.

2 Environmental Policy

2.1 Introduction

The Company believes that good environmental management at every exploration stage, prospect, and mine site, proactive health and safety procedures, transparent interaction with local communities, and implementation of prudent expenditure and business performance, constitutes the foundation for successful exploration and sustainable development.

The Company will develop and implement appropriate procedures for different stages of its surveys, ground exploration, prospecting and evaluation, and development work.

2.2 Environmental Management at the Prospecting and Evaluation Stage.

The Company will ensure that environmental management plans (“EMP”) for all stages of exploration, evaluation, and development or mining are in place at an early stage.

All Exploration, Prospecting and Evaluation work programmes will be undertaken under the strictest environmental management controls with all necessary procedures in place to ensure that immediate environmental impacts are mitigated.

Environmental Guidelines for Different Phases of Work

<p>Ground Follow-up and exploration</p>	<ul style="list-style-type: none"> • The company will formulate appropriate Environmental Management Plans (EMP’s) following international standards and local standards, and if required in consultation with relevant experts, to mitigate and minimise impacts of exploration activities on the environment. • At appropriate stages or when required initiate Environmental and Social Impact Assessments (“ESIA”) to aid in mitigation understanding impacts mining activities so as to formulate appropriate and effective EMP’s. • So to mitigate impacts during exploration, planning and feasibility work, and to develop mitigation measures appropriate to the nature and scale of activities, so to ensure a productive, self-sustaining and hazard-free post-exploration environment. • The Company will not conduct or be associated with any on-ground exploration or operations in gazetted National Parks unless such activity is approved by the requisite government authority. • The company will not conduct or be associated with any on-ground exploration or operations which would result in destruction or significant degradation of a critical natural habitat as defined through application of IFC PS6 (Biodiversity Performance Standard). • The company will implement a chance finds policy in conjunction with the appropriate authorities with respect to archaeological remains discovered during the course of exploration activities.
<p>Field Mobilization/De-mobilization, Camp Establishment and Removal</p>	<ul style="list-style-type: none"> • Consult with local authorities and communities to establish appropriate guidelines and authorizations for ground based surveys. • Show respect for cultural and ecologically sensitive sites and liaise as above. • Show awareness and understanding when operating in or close to protected areas. • Have respect for communities and consult with all Stakeholders beforehand.

	<ul style="list-style-type: none"> • Use existing camp sites or cleared areas for establishment of camping, parking and processing of field samples. • Use existing roads and access and consult with authorities or communities if it is essential to construct new access. • Close-off all exits to roads and tracks that may be constructed once the project is complete. • Ensure that all fuels and lubricants are stored appropriately and that liners and berms are in place to contain spillages. • On completion of programs remove all items, litter and other foreign objects and substances. • Rehabilitate, including the smoothing and repair of disturbed areas, and replace topsoil and plant material where appropriate. • The covering of fuel and oil spills with clean soil and vegetation is not an effective means of rehabilitation.
Exploration and Prospecting	<ul style="list-style-type: none"> • Avoid damage to, cutting and removal of indigenous trees, spiritual sites, etc. • Minimize the use and impact of vehicles. • Place marker pegs in sensible positions and ensure that these can be removed once work programmes are complete. • During soil (loam) and or stream sediment sampling minimize ground disturbance and replace top soil and plant material. • Ensure that removal of soil and rock material will not lead to adverse surface water impacts and erosion. • Remove all litter, tape, and plastic material. • If significant ground disturbance is required, ensure a EMP is in place in consultation with experts, and a rehabilitation plan is included.
Ground-based Geophysical Surveys	<ul style="list-style-type: none"> • Implement procedures as above
Drilling Programmes	<ul style="list-style-type: none"> • Prevent adverse surface and groundwater impacts

3 Community Relations, Communication and Notification Policy

3.1 Introduction

Proactive interaction with the stakeholders that the Company’s exploration and development programmes may impact on is considered an important part of the long-term investment that the Company is planning in Botswana.

The company recognizes that from the inception of the programme, and as the project progresses it will be important to:

- ◆ Communicate and interact proactively with any community and role player that may be affected by its programmes;
- ◆ Inform and obtain buy-in on a mutually agreed and consensus based manner with the full range of stake holders that may be impacted upon by exploration, evaluation and development.

In these respects the company will work actively and transparently with Government authorities, other elected parties, non-governmental organizations, and the communities themselves to ensure that they (the communities) are aware of the activities of the Company, and that the impact on communities is kept to a minimum.

At the point that drilling, evaluation and other such programmes are implemented the Company will endeavour to identify how the impacts of such work on communities can best be managed, and how benefits can best be provided to communities through the activities of the Company.

3.2 Stakeholder and Community Notification Protocol

This following Notification Protocols shall apply to all exploration, prospecting, bulk sampling, and mining.

<p>Broad Stakeholder Consultation</p>	<ul style="list-style-type: none"> • The Company shall notify, communicate and consult with all persons, or groups of persons, external to the operations that may be expected to be affected by or concerned with activities in their areas of residence or livelihood. • The Company will ensure that proactive consultation and dialogue is maintained at all stages to identify and work with stakeholders to develop strategies that will address their concerns and expectations. • Consideration will at all times be given to local context and cultural factors in order to facilitate understanding and informed discussion. • The Company will, as appropriate, seek the assistance of independent third parties, facilitators, NGO’s and other credible organizations to assist this process. • The Company will develop and implement a Stakeholder Engagement Plan (SEP) consistent with IFC principles.
<p>Communities</p>	<ul style="list-style-type: none"> • The Company will seek regular engagement about issues which may affect communities. • The Company will promote strong relationships with, and enhance the capacities of those communities where it conducts activities for ongoing periods.

	<ul style="list-style-type: none"> • Where it is possible, support for community projects will reflect the priorities of local people, sustainability and cost effectiveness.
Community Notification	<ul style="list-style-type: none"> • The Company will develop and implement a community notification and communication process in relation to pertinent issues concerning the Company's operations.
Information Dissemination	<ul style="list-style-type: none"> • English and Setswana, the most widely used local language, will be the main languages of communication but where necessary translations into local dialects may be undertaken.
Government bodies	<ul style="list-style-type: none"> • The Company respects the laws of Botswana whilst seeking to observe, within its operations, the universal standards of accountable and equitable human rights practices. • The Company aims to be, and be seen as socially responsible and an investor of choice.
Non-governmental Organizations	<ul style="list-style-type: none"> • The Company aims for constructive relations with relevant non-governmental organizations. • The input of these organizations is considered important in terms of leading to better practices and increasing our understanding of host communities.
Facilitators	<ul style="list-style-type: none"> • Consideration will be paid to local conditions and where dictated by these local conditions (for example low literacy rates) visits to the local community will occur. The team makeup involved in these visits will include as a minimum: <ul style="list-style-type: none"> a) Company representative familiar with the operation b) Translator if needed
Review and Feedback	<ul style="list-style-type: none"> • The effectiveness of communication, consultation and participation processes will be regularly reviewed in collaboration with stakeholders. • At least annually, the Company will provide feedback to local stakeholders in relation to social and environmental matters relating to the Company's operations and which affect or may affect those local stakeholders.

4 Labour, Health and Safety Policy

4.1 Introduction

The health and safety of its employees, contractors, affected communities and any other role players that may participate and be affected by the activities of Tsodilo Resources Limited are crucial to the long term success of the company.

The company will establish and maintain a constructive work-management relationship, promote the fair treatment, non-discrimination and equal opportunity of workers.

Every effort will be made through training, peer pressure, regular reviews and briefings, and other procedures to ensure that best practice labour, health and safety policies are implemented and maintained by the company including prompt and in-depth accident and incident investigation and the implementation of the conclusions thereof and taking measures to prevent child labour and forced labour.

The Company’s aim is at all times to achieve zero lost-time injuries (LTI’s) and fatalities.

4.2 Health and Safety Guidelines

Leadership and Accountability	<ul style="list-style-type: none"> • All directors, managers, employees and contractors shall understand their accountability and demonstrate leadership and commitment to the HSEC Policy. • The Directors and Management shall ensure compliance and regularly review HSEC performance and risks. • Managers and Team Leaders are accountable for the HSEC performance of their business, and the implementation and communication of the HSEC and shall see that regular meetings are held to disseminate procedures and monitor performance. • Managers and Team Leaders will ensure that all Contractors are informed of procedures and receive clear instructions in respect of HSEC. • Employees and Contractors understand that they have the right and responsibility to stop or refuse to work in unsafe conditions, and shall bring these conditions to the attention of management immediately.
Legal Requirements, Documentation	<ul style="list-style-type: none"> • All management, staff and Contractors shall ensure that they are familiar and in compliance with all regulation and guidelines (be they State, Local Government and Company) before embarking on any work programme. • Directors and Management are responsible for ensuring that systems are in place whereby HSEC procedures are documented, displayed, distributed and that HSEC records are established and maintained, and are accurate, legible, and identifiable. • Information regarding workers’ rights under national labour and employment law including wages, benefits and terms of conditions should be provided to each worker no later than at the time of the employment. • The Company will respect workers’ legal rights to form or join workers’ organisation without interference and respect collective bargain agreements. It will ensure that terms of conditions of employment are in compliance with national law and international labour standards • In case retrenchment becomes necessary the company will develop a retrenchment plan, consult with relevant stakeholders including workers’ representatives, implement a

	<p>grievance mechanism and implement measures to ensure that the selection of staff being retrenched is based on objective criteria.</p> <ul style="list-style-type: none"> • All full-time employees and contractors will be provided with a written contract stating the terms and conditions of employment. • Employees and contractors will be provided with payslips explaining how salaries and deductions are calculated.
Risk Management, HSEC Risk Register	<ul style="list-style-type: none"> • HSEC risks and hazards will be constantly reviewed, assessed, identified, documented, and managed. • Risk management identification procedures will be carried out at each new or existing site or operation, recorded and maintained in a HSEC Risk Register. • New Risks and HSEC procedures will be implemented and communicated whenever identified, with training provided for the management of all risks. • As part of Tsodilo’s Human Resources Policy, a grievance mechanism will be developed, implemented, and will be accessible to all employees and contractors. Grievances may be filed on an anonymous basis. All grievances will be replied to in a timely manner. Grievances and answers are registered by the company to document the process.
Awareness, Competence, and Behaviour	<ul style="list-style-type: none"> • Company management and personnel, including all project and site managers shall ensure that they, their staff, Contractors and visitors are in good health and able to conduct work requirements in a competent manner. • Inductions that address relevant HSEC objectives, hazards, risks, controls and behaviour will be conducted and documented for employees, contractors and visitors at the commencement of their employment or site visits. • Regular re-briefings and training programs shall be held to reinforce HSEC policy and risk management. • Cross-cultural training will be undertaken for employees and contractors who interact with peoples from different cultures. • The Company will implement measures to ensure that all employment decisions (hiring, firing, promotion and training opportunities) are based on non-discriminatory criteria.
Communication, Consultation and Participation	<ul style="list-style-type: none"> • Effective communication and consultation shall be maintained between the Directors, management, employees, contractors and other stakeholders • Employee, contractor and stakeholder participation and feedback is encouraged, and tracking of follow-up actions shall be documented and reviewed • Open consultation and communication with government, authorities and other organizations will be maintained in order to contribute to the development of public policy, relevant legislation and educational initiatives. • The Human Resource Policy will be disseminated to all employees and contractors in their native languages and in an easily understandable version. In case employees are not literate information will be provided through regular meetings. • All new, reassigned and/or temporary employees and contractors will be trained on the principles of the Human Resource Policy.
Personal and Property Safety and Security	<ul style="list-style-type: none"> • The Company will ensure that employees and contractors are made aware and mindful of potential personal safety and security risks that may be encountered in the local environments in which they may operate, and this will also extend to the use of company facilities and property.

	<ul style="list-style-type: none"> Awareness in respect of vehicle high-jacking, theft of personal items, break-ins and other such risks is important and appropriate measures to minimize such risks should be implemented at all times.
<p>Operations, Inspections and Maintenance</p>	<p>Road Travel and Transportation</p> <ul style="list-style-type: none"> All personnel shall adhere to road travel regulations and speed limits. All employees, including management and directors, should insofar as possible avoid travelling by road at night and should at all times be particularly mindful of pedestrians and animals on roads and roadsides. All personnel vehicles shall contain an automotive type fire extinguisher approved by the HSEC Representative which must be checked regularly and refilled or replaced immediately after use. A portable fire extinguisher of an approved type and size will be conspicuously mounted on every support truck and heavy equipment. Seat belts are to be worn at all times by personnel in vehicles travelling on or off road in Company's area of operations including the Site. Cell phones will not be used whilst vehicles are in motion, cell phones must not be answered until a vehicle is stationary. All personnel should be properly enclosed in vehicles with seat belts and no personnel shall be transported on the back of open vehicles. Effective means of communication shall be present in each vehicle, especially when remote areas are visited. Emergency supplies of water and fuel shall be present in each vehicle. Each vehicle shall have at least one spare tire and an effective means of repairing punctures. <p>Work and Camp Sites</p> <ul style="list-style-type: none"> All sites shall be kept clean and tidy, and equipment and walkways to be kept free of grease, oil and other hazards. All sites shall have appropriate fire extinguishers in obvious locations. Personnel on Site must be familiar with the location and use of these extinguishers. <p>Plant and Equipment</p> <ul style="list-style-type: none"> All plant and equipment will be operated, maintained, inspected and tested within the framework of the HSEC policy and risk management procedures. All machinery, tools, and equipment used in performing work activities shall remain in good and safe operating condition and shall be operated in accordance with safe operating practices. All dangerous or moving parts (including but not limited to chains, belts, sprockets, shafts, couplings and clutches) shall be adequately covered with safety guards to prevent accident or injury. All machinery or equipment to be repaired shall be isolated before repairs are effected All electrical generators, appliances, fittings, power leads and power tools used at sites will conform to approved specifications/standards, be tested routinely and regularly inspected by a certified electrician. Wooden handles of hand tools, such as axes, sledge hammers, shovels, picks, rakes etc., used in connection with the Services, will be properly secured and free of splinters. <p>Flammable Materials and Gas Cylinders</p>

	<ul style="list-style-type: none"> • Flammable materials such as diesel, petrol, oils and gas cylinders will be isolated and stored in cleared designated areas. • Toxic additives shall be avoided wherever possible. • Oxygen, acetylene, and propane bottles used by staff will be properly secured in an upright position at all times. • Fire extinguishers must be located within safe distances from the above designated areas. <p>First Aid and Emergencies</p> <ul style="list-style-type: none"> • First aid kit appropriate for the number of personnel in the area will be provided to every support vehicle. • All personnel must know the location and use of these kits and one person shall be delegated the task of regularly checking and restocking the first aid kits. • Emergency communication equipment shall be available at every site or operation. • Managers and/or Team Leaders shall conduct regular safety inspections of all machinery, tools, and equipment and immediately report any deficiencies to Management. • Managers, supervisors, and insofar as possible all staff will have completed First Aid training. <p>Recruitment</p> <ul style="list-style-type: none"> • When recruiting new employees verify that they are at least 18 years old by checking their identification documents. • The Company will not retain the original identification documents of any of the employees.
<p>Contractors and Partners</p>	<ul style="list-style-type: none"> • The contracting of services, and the purchase, hire or lease of equipment and materials, as well as activities with partners, are carried out so as to minimize any adverse HSEC consequences and, where possible, to enhance community development opportunities. • Systems will be set in place to ensure that the HSEC performance of Contractors, suppliers and partners, are compliant with the Company’s HSEC policies, and to provide disciplinary action and economic sanctions for material breaches. • Contractors and suppliers shall at all times provide information on the hazards associated with their equipment, products and services (see Annexure C). • All contractors and key suppliers will be subjected to regular monitoring to ensure compliance with the HSEC.
<p>Incident Reporting and Investigation</p>	<ul style="list-style-type: none"> • Personnel injury or lost time accidents and/or material damage or losses which cause stoppage of normal operations shall be reported, documented, investigated and analysed in a timely manner according to specified procedures (see Annexure D). • Incidents with potential for similar consequences as above shall be reported and documented in a similar manner. • Corrective and preventive actions shall be taken and lessons shared.
<p>Crisis and Emergency Management</p>	<ul style="list-style-type: none"> • Procedures and resources will be in place to effectively respond to crises and emergency situations (see Annexure A). • It shall be the responsibility of management and Team Leaders to ensure that all employees and contractors are fully aware of all procedures. • All employees and Contractors must ensure that they are made aware of procedures and acknowledge this.

Monitoring, Audit and Review	<ul style="list-style-type: none"> • HSEC performance and systems will be monitored, audited and reviewed by management to identify trends, measure progress, assess compliance, communicate problems and drive continuous improvement.
Occupational Health	<ul style="list-style-type: none"> • Employees and Contractors will be assessed for their fitness for work and protected from health hazards associated with their work. • Occupational health and hygiene assessments, and ongoing medical surveillance programmes, will be conducted for all occupations, tasks, and work environments, consistent with exposure risk. • Employees will have access to adequate medical and first aid services as appropriate to the location and nature of operations. • Contractors will ensure that their staff are adequately protected in terms of health and medical requirements. • The Company will promote an approach whereby it encourages employees and contractors to undergo assessment to ensure their fitness for work. Any information or Medical records will be kept confidential.
HIV – AIDS	<ul style="list-style-type: none"> • Community health issues associated with the Company’s operations are identified and managed insofar as this is possible. • Voluntary HIV – AIDS testing and counselling programmes are available to all employees and Contractors and their staff will be invited to participate in this service programme (if appropriate). • The Company at all times supports and implements HIV/AIDS awareness programmes.
General	<ul style="list-style-type: none"> • The Company promotes and encourages a safe and healthy lifestyle amongst staff, contractors, communities and individuals which it either employs, contract or interacts with.

5 Development Stage Environmental and Social Management Policy

5.1 Introduction

The Company recognizes the benefits of proactively engaging and working with local communities for the benefit of all stakeholders. In this respect the company will communicate and consult with local communities and stakeholders with a view to fostering mutual understanding and shared benefits through the promotion and maintenance of open and constructive dialogue and working relationships.

In order to maximize the benefits arising out of any mining development the Company will ensure that all construction and mining operations carried out by it or by subsidiaries and joint ventures to which the Company is party adhere to the guidelines outlined below.

5.2 Development Guidelines

- The Company will wherever possible draw on experience from and replicate positive initiatives from similar projects worldwide;
- Implement the requirements of IFC Environmental and Social Performance Standards;
- Support and improve (i) local communities and (ii) promote integrated resource conservation and utilization in the region;
- Support regional economic development not directly tied to the project;
- Support project related supply chain development and linkages;
- Provide training programs for available jobs;
- Support community-based natural resource management initiatives;
- Support water resource development initiatives;
- Support institutional development and capacity building, in particular in the areas of resource conservation monitoring and management;
- Where ever possible, develop sustainable infrastructure requirements in conjunction with the needs of the Community; and
- Investigate and apply the benefits gained from use of local knowledge.

Signed: /s/

Chairman: James M. Bruchs

Date: 30-September-2019

6 ANNEXES: Further Guides and Procedures

ANNEX A. ENVIRONMENTAL GUIDELINES AND A CODE OF CONDUCT

ANNEX B. EMERGENCY CONTACTS AND EMERGENCY RESPONSE PROCEDURES

ANNEX C. CONTRACTORS AND SUPPLIERS: - HEALTH AND SAFETY AND ENVIRONMENTAL REQUIREMENTS

ANNEX D. GUIDELINES FOR SAFETY MEETINGS

ANNEX E. OTHER RELEVANT TSODILO POLICIES

- **HUMAN RESOURCES POLICY**
- **HUMAN RESOURCES: HEALTH AND SAFETY POLICY**
- **SAFETY RULES**
- **HERITAGE & CULTURAL CHANGE FIND PROCEDURE**
- **FOOD HYGIENE POLICY**

ANNEX F. STAKEHOLDER ENGAGEMENT PLAN