RMG
RICH METALS GROUP

Invitation for participation in the contractor selection process

- **Subject of service – Drilling and Blasting operations**
- **Detailed description of works: Annex №3 – Technical Conditions of works**
  Annex №4 – Volume of works
- **Deadline for the documents required to determine bidder's legal status: 23.05.2018**
- **Deadline for commercial proposals: 30.05.2018**

1. **Orginizer: Rich Metals Group**

2. The companies participating in the selection process of contractors confirm their consent to cooperate with the following terms and express their readiness to ensure that the work is done according to the submitted commercial proposals and documents. It is possible to specify the information presented in this document by the organizer.

3. The company willing to participate in the process shall submit the documents required to determine bidder's legal status and a commercial offer

The participant must submit a commercial proposal with the following conditions:

- ✓ **Language: Georgian/English/Russian**
- ✓ **The commercial proposal and attached documentation presented by a candidate shall be signed and sealed by the authorized person.**
- ✓ **The commercial proposal that does not meet these requirements will not be considered.**
- ✓ **The company is entitled to sign a contract on a separate lots.**

The commercial proposal should include the following information:

- ✓ **Terms of payment;**
- ✓ **Price;**
- ✓ **The bidder is entitled to submit a commercial proposal as on the both lots together, as on each lot separately;**

Commercial bids will be valid until the end of the contractor selection process. The above process will be completed after the agreements are signed between the parties.

4. The commercial proposal of a participating company will be considered as the basis for identifying a potential candidate in the contractor selection process.

5. **Anti-Corruption Conditions: Potential Bidder, in case of signing a contract, is obliged to comply with the Anti-Corruption Clause presented in Annex # 1**

Terms of delivery of commercial proposals: All commercial proposals should be submitted to the organizer address: Tbilisi, M. Leksidze str. # 1, lane # 3. The proposal must be submitted in sealed envelope *(Except for the documents required to determine the legal status of the bidder)*

Commerical proposals may also be submitted to the following e-mail address:

TO- LPirveli@richmetalsgroup.com
CC – Zdzagnidze@richmetalsgroup.com

Contact Information:

Department of Material and Technical Support:

Deputy Director:

Zura Dzagnidze

T +995 599 128 686

Secretary:

Lile Pirveli

T +995 579 552 051.

6. **Costs. The Participant shall take responsibility for all expenses related to the preparation and submission of proposals and relevant documents and the organizer is not responsible for any of these costs, regardless of the results of the selection.**

7. **The best bid selection criteria:**

The participants' proposals are selected based on the following criteria:

- Price;
- Terms of payment;
- Company experience and its reputation on the market;
- **Compliance with the internal normative documents and policies of the Rich Metals Group;**
- Ensuring long-term cooperation on the basis of partnership;

8. The rights and obligations of the Orginizer of the contractor's selection process: Organizer is authorized to set additional requirements for the participants. If the commercial proposal is incorrect or contains unreliable information, the organizer reserves the right to exclude them at any stage of the selection process. After considering commercial proposals, the organizer will inform the potential applicants with an official letter of interest about the future negotiations with the purpose of signing the contract. The organizer reserves the right not to comment on the interim or final decision. No later than 3 days before the deadline for submission of commercial proposals, the organizer is entitled to make some changes in the contractor selection procedure and notify all participants of the changes in writing.

9. Overviewof the results: If, for any reason, the contractor will not be able to carry out a service that he or she offers, then the organizer will have the right to suspend or terminate the contract and transfer the right of other services to the contractor Without the additional procedures.

10. List of annexes:

Annex № 1 - Anti-Corruption Clause
Annex № 2 – List of documents, required to determine legal status of the bidder
Annex № 3 – Technical conditions of work
Annex № 4 – Volume of work

Annex № 1

Anti-Corruption Clause

When performing their obligations under this Agreement, the Parties, their affiliates, employees or intermediaries shall not pay, offer or give permission to pay any money or valuables, either directly or indirectly, to any persons to influence any actions or decisions of those persons with the purpose of obtaining any illegal benefits or for any other illegal purposes.

When performing their obligations under this Agreement, the Parties, their affiliates, employees or intermediaries shall not perform any action qualified under the legislation applicable to this Agreement as giving / receiving bribe, commercial bribery, as well as action violating requirements of the applicable legislation and international law on prevention and fight against illegal income legalization (money laundering).

Each of the Parties to this Agreement refuses to encourage the employees of the other Party, including through the provision of sums of money, gifts, performance of work (services) for them free of charge and by any other means not specified in this clause, that puts the employee in a certain dependent position and aims to guarantee the performance by this employee of any action in favor of the encouraging Party.

The Parties acknowledge that their probable unlawful actions and violation of anti-corruption conditions of this Agreement may result in adverse effects – from reduction of the counterparty's reliability rating to substantial restrictions on interaction with the counterparty up to the cancellation of this Agreement.

The Parties guarantee due examination of the facts presented in view of the execution of this Agreement subject to compliance with the confidentiality principles and taking effective measures for elimination of practical difficulties and prevention of probable conflict situations.

The Parties guarantee full confidentiality when fulfilling anti-corruption conditions of this Agreement as well as the absence of adverse effects both for the applying Party in general and for certain employees of the applying Party, who notified of the violation facts.

Annex № 2
List of documents required to determine legal status of the bidder

- Detailed information including, but not limited to: entity's legal address, as well as physical, factual, electronic addresses, telephones, bank requisites etc.;
- The license to perform the blasting operations;
- Information about the equipment owned by the bidder, which is needed for performing drilling and blasting operations;
- Mobilization period of the equipment;
- Information about the explosive materials, which will be used for blasting operations;
- Information about the experience of the bidder in this field;

Annex № 3

Technical conditions of work

Location - I, III, IV quarry areas of “Sakdrisi”, Bolnisi region, Kazreti.

Depth of wells – 1-25 m, (Mostly 8-12 m), water content 50%, strength of rock according to Protodyakonov 8-14, Ensuring the safety of the drilling trifle at the well for analysis of the mineral content of the geological service.

Out of gauge: up to 7%

Overstating in the sole of the ledge: not allowed (+/- 1m)
The possibility of renting storage facilities and territories for the placement of explosives and other materials, as well as the necessary equipment: exists.

Delivery of explosive materials, equipment, personnel: with support of the contractor.

Fueling equipment: Agreed with the customer

Responsibilities of the Company

- Preparation of the block for drilling.
- Preparation of the passport of drilling operations.
- Monitoring of the performed drilling operations for compliance with the passport.
- Preparation of the project documentation for blasting operations (jointly with the contractor).
- The control of the executed blasting operations with drawing up of the certificate of executed БВР

Responsibilities of the Contractor

- Performance of drilling operations, according to the "passport of drilling operations" with ensuring the safety of the drilling trifle for the analysis of the mineral content of the geological service.
- Agree and approve project documentation for the explosion.
- Charging, punching of wells, installation of an explosive network, arrangement of the cordon of a hazardous zone, blasting according to established signals in accordance with the "Technical Regulations and the Standard for the Safety of Explosive Work"
- Elimination of fails in accordance with the "Technical Regulations and the Standard for the Safety of Explosive Work".
- The quality of blasting is estimated by the output of the oversized (7%) and the overestimations in the sole of the ledges are not more than +/- 1 m (liquidation at the expense of the contractor)

Requirements for labor protection and safety, environmental protection:

- Implementation of the necessary documentation and the conduct of all types of briefings on labor protection and safety techniques provided for by the legislation of the Republic of Georgia in the development of open-cast mines and drilling and blasting operations, strict compliance with the norms and rules provided for by the legislative acts of the Republic of Georgia in the development of mineral deposits in the open mode and Drilling and blasting operations by all contractor personnel.
- Provision of personnel with personal protective equipment.
- Equipment should be in good condition and provided with fire safety equipment.
- The personnel must have documents confirming the qualification.
- Drilling rigs should be equipped with dust-suppressing devices
- Carry out maintenance only in special places, at least 50 m from any watercourse
- Follow the general rules of environmental protection at the site
- Follow the rules of waste management at the site

Annex № 4

Volume of work

Lot №1 – Sakdrisi I

	June	July
Quartzite ore	13889	13889
Waste rock	54365	54365
Rock mass m³	68254	68254

Lot №2 – Sakdrisi III, IV

	June	July	August	September	October	November	December	
Copper ore	**6,548**	**7,639**	**7,639**	**7,639**	**7,639**	**8,730**	**10,913**	m3
Quartzite ore	**0**	**0**	**0**	**0**	**0**	**0**	**0**	m3
Waste rock	**84,405**	**81,171**	**65,397**	**87,639**	**59,980**	**23,175**	**35,873**	m3

- **Indicated amounts are approximate. There can be monthly changes around 30 000 m/3 on the quarry areas.**