



INVITATION FOR EXPRESSION OF INTEREST (EOI)
IMALOTO POWER PROJECT
SOUTHERN MADAGASCAR

Required Services: Engineering, Procurement, Construction, Testing and Commissioning of 138kV Single Circuit Transmission lines and Substations, and associated equipment.

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Closing Date: 1100 on 24 April 2019

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SECTION A: INTRODUCTION

1. BACKGROUND

Lemur Holdings (“Lemur”) is a wholly owned subsidiary of Bushveld Minerals and is the Company’s coal and power platform. The Imaloto Power Project is located in the southwest of Madagascar and consists of a 136 million tonne coal resource (90 per cent of which is a JORC compliant measured and indicated resource). The Project also includes an initial 60MW mine mouth coal fired power plant (not included in this EOI) as well as approximately 300km of new 138kV transmission lines (extendable to 500km), substations and associated equipment, developed in parallel as one of Madagascar’s leading independent power producers.

The Imaloto Project is located in an area of Madagascar which is far from the country’s hydro power stations located in the north of the island and, in need of power to develop local towns and an emerging number of mining operations in the area. The southern region currently does not have an installed power grid and is almost entirely electrified by generators.

The initial 60MW capacity of the Imaloto Power Project will substantially increase generation capacity, create a southern power grid and provide a reliable source of high electricity for residential and commercial offtakers.

2. CALL FOR EXPRESSION OF INTEREST

Lemur Holdings is issuing this call for EOI from experienced contractors to indicate their interest in constructing the works contained herein.

Responses to this EOI are due by the closing date.

The purpose of the enquiry is to assess the interest and capabilities within the market to respond to an Invitation to Tender either for the project as a whole or in part.

The Invitation to Tender is expected to be issued in May or June 2019.

The tender period is expected to be two months followed by negotiations with a preferred tenderer.

Contract award is aimed at the last quarter of 2019.

3. PRE-SELECTION CRITERIA

Interested contractors should provide information demonstrating to Lemur Holdings that they have the required qualifications and relevant experience to complete the works.

The shortlisting criteria is as follows:

- Alignment of core business area of the applicant firm with the subject assignment.
- At least fifteen (15) years relevant experience as a EPC contractor in the field of high transmission lines and substations with the successful delivery of at least five (5) similar nature and complexity assignments and preferably three (3) outside of their country of origin. The submission should be accompanied by completion certificates and/or letters of recommendations from Clients.
- Is of sufficient financial substance to be able to carry out the works and arrange for additional funding needed to support project from contract award.
- Has or will have in place arrangements with suppliers and other parties necessary to deliver all aspects of the works.

Contractors may associate with others firms in the form of joint ventures or sub-contractors to enhance their qualifications.

SECTION B: PROJECT DESCRIPTION

1. Detailed functional specifications will be issued with the Invitation to Tender to the pre-selected companies, of which the preliminary high-level requirements are given as follows:

PHASE 1:

LOT 1: TRANSMISSION LINES

- Construct approximately 98 km of 138kV single circuit transmission line from Imaloto to Ilakaka line with single ACSR Wolf conductor;
- Construct approximately 205 km 138kV single circuit transmission line from Ilakaka to Toliara line with single ACSR Wolf conductor;
- Construct approximately 200 km 138kV Ilakaka - Ambalavao line with single wolf conductor;
- Auto re-closers will be installed along the transmission line in order to detect failures.
- Fibre optic cable will be installed all along the Project Imaloto grid connection 138kV transmission lines for control and monitoring purpose. A SCADA system will be installed at all ends of the 138 kV transmission lines for Project Imaloto grid connection only. These SCADA systems will include the new transmission substations

LOT 2: SUBSTATIONS

- Construct Imaloto substation 138 kV busbar;
- Construct Ilakaka 138/20 kV substation with one 5 MVA transformer and four 20 kV out-feeders;
- Construct Toliara 138/20 kV substation with two 10 MVA transformers and six 20 kV out-feeder
- Construct Ambalavao 138/20 kV substation with one 10 MVA transformer and four 20 kV out-feeders;
- Install one 20 MVar SVC or STATCOM at Ilakaka 138/20 kV substation for dynamic voltage regulation.

PHASE 2:

LOT 1: TRANSMISSION LINES

- Design, procure, construct and commission approximately 50 km 138kV Ambalavao – Fianarantsoa single circuit transmission line with ACSR single Wolf conductor;

- Auto re-closers will be installed along the transmission line in order to detect failures.
- Fibre optic cable will be installed all along the Project Imaloto grid connection 138 kV transmission lines for control and monitoring purpose. A SCADA system will be installed at all ends of the 138 kV transmission lines for Project Imaloto grid connection only. These SCADA systems will include the new transmission substations.

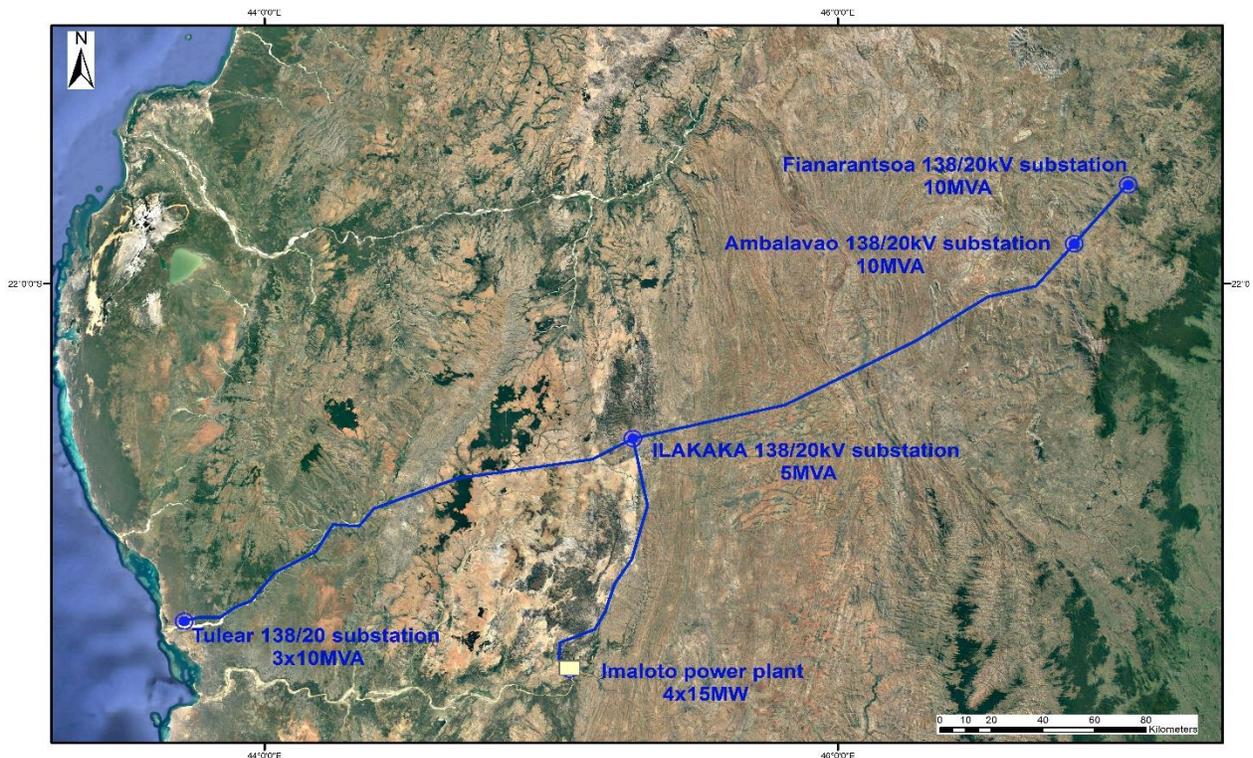
LOT 2: SUBSTATIONS

- Design, procure, install and commission one 10 MVA 138/20 kV transformer at Toliara;
- Design, procure, construct and commission Fianarantsoa 138/20 kV substation with one 10 MVA transformer and six 20 kV out-feeders;
Install devices for voltage regulation and power factor correction

The above items may be awarded as a single contract or packaged into separately deliverable contracts, dependent on the responses to this EOI.

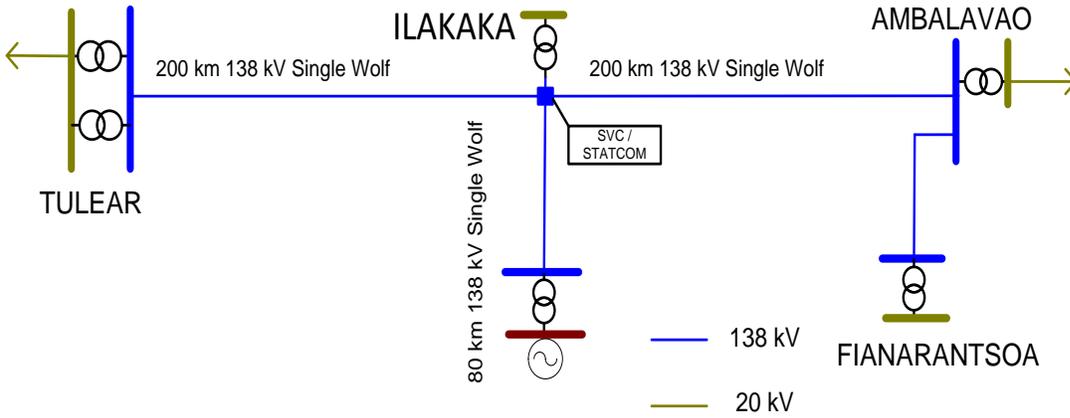
2. LINE ROUTES

The map below shows the approximate location of the transmission line routes and the substations associated with the project.



3. SINGLE LINE DIAGRAM

An indicative single line diagram referencing the above scope is set out below and may change with the Invitation to Tender.



138kV connection diagram

4. RESPONSIBILITIES

The proponent will be expected to assume responsibilities for:

- Detailed design for the transmission lines and substations and associated equipment listed above
- Securing all necessary and appropriate statutory approvals in Madagascar.
- Adhere to all environmental requirements as stipulated in the ESIA (conducted by others)
- Conducting best practice stakeholder engagement
- Selection and oversight of all equipment suppliers
- Construction and management of all site activities achieving practical completion
- Testing and commissioning
- Preparation and submission to Lemur Holdings a detailed project implemented schedule.

SECTION C: STRUCTURE AND CONTENT OF RESPONSE

Recipients must supply the information required below, and individual questions should not exceed 2 pages.

Responses should be in the form specified in this section with any additional information provided as attachments or appendices. Any assumptions made should be clearly stated in the response. Lemur Holdings reserves the right to verify claims made in any response. Any material misstatement of experience or capability is likely to result in exclusion from the EOI Process.

1) Provide the following organisational information:

a) Name of company (entity that would enter into any agreement for transmission services if awarded)

b) Contact name

c) Address

d) Legal jurisdiction

e) Telephone number

f) E-mail address

2) Whether the applicant is willing to respond to an Invitation to Tender in consideration of the above scope and assumptions.

3) Please outline the applicant's demonstrated recent experience in delivering projects of similar size, type, value and complexity on time.

4) Please outline the applicant's strategy for developing project design and construction, including identifying, avoiding, minimising and mitigating environmental and stakeholder impacts.

5) Please outline the applicant's strategy, high-level resourcing and timeframes for securing necessary and appropriate statutory and regulatory approvals.

6) Please outline the applicant's strategy, high-level resourcing and timeframes for procurement (including the appropriate procurement methodology the applicant anticipates as being required).

7) To the extent currently known, please provide details of any other organisation with which the applicant is considering partnering or contracting with to deliver the project, including:

a) Their proposed roles and extent of involvement;

- b) Their demonstrated recent experience in undertaking similar roles;
 - c) Those details as set out in 1) a. to e. above as they pertain to each organisation.
- 8) Please confirm that you meet or are capable of meeting the pre-requisites in Section A.3 and to the extent that they are known, please provide details of your proposed:
- a) Legal adviser;
 - b) Technical adviser;
 - c) Equipment provider;
 - d) Construction company;
 - e) Stakeholder and planning adviser.
- 9) Please provide a brief high-level resource plan for project delivery of both design and construction.
- 10) Confirm expectations you have of the non-contestable/interface works service provider throughout the project delivery process and service delivery period.
- 11) Outline your key risks and concerns plus any initial control measures you would apply.
- 12) Provide any alternative options separately to improve delivery timetable and/or cost.
- 13) Provide a statement as to whether the provision of the proposed transmission services to Lemur Holding may give rise to a potential conflict of interest for your organization, partners, third parties or any key personnel in the form of an attachment.

SECTION D: CONDITIONS OF THE EOI PROCESS

1. Application

All persons, whether or not they submit a Response (“Recipients”), who obtain or receive this EOI invitation document (“EOI Invitation”) may only use it, and the information contained in it, in compliance with the conditions stated in this Section D (“EOI Conditions”).

All Recipients are deemed to accept and agree to the EOI Conditions.

The EOI Conditions apply to:

- i. this EOI Invitation and any other information given, received or made available in connection with this EOI Invitation, in any format whatsoever, including any revisions, variations or addenda to the EOI Invitation;
- ii. the EOI process;
- iii. any communications, including (but not limited to) any presentations, meetings or negotiations, relating to this EOI Invitation or the EOI process.

In addition to any other remedies available to it under law or contract, any failure to comply with the EOI Conditions will, in the absolute discretion of Lemur Holdings, entitle it to disqualify a Recipient from participation in the EOI Process.

2. Legal status

This EOI Invitation is not an offer. It is an invitation for persons to submit a response only. This EOI Invitation must not be construed, interpreted or relied upon, whether expressly or impliedly, as an offer capable of acceptance by any person.

Neither this EOI Invitation (comprising this document, any schedules, attachments and addenda thereto), nor a response submitted by a Recipient, has any contractual effect and does not create any contractual, promissory, restitutionary or other rights.

Lemur Holdings is under no obligation to complete the process outlined in this EOI Invitation or to proceed with an Invitation to Tender or the Project. Lemur Holdings may change the process or the description of the requirements outlined in this EOI Invitation by issuing an addendum to Recipients.

Lemur Holdings will not be liable for any costs incurred by Recipients through considering this opportunity, submitting an EOI or a tender or its otherwise participating in the EOI process.

3. Multi-stage tender process

The issue of this EOI Invitation commences the first stage of a multi-stage tender process. The objective of this first stage is to identify and pre-register organisations that are interested in constructing the proposed augmentations (or any one or more of them) and

have the capacity, capability, skill and experience to do so. Lemur Holdings will determine which of the applicants will be pre-qualified.

Only Recipients that are pre-qualified by Lemur Holdings as an outcome of this EOI process will be eligible to submit tenders in response to the Invitation to Tender.

4. Confidentiality

This EOI Invitation contains information that is confidential and/or proprietary in nature, about or to Lemur Holdings and its activities. It is provided solely to enable Recipients to submit responses to this EOI Invitation. Recipients are not permitted to disclose or to use any such information for any other purpose.

This EOI Invitation and all information and other materials supplied to or received by the Recipient which relates in any way to this EOI Invitation, as well as the Recipient's response to the EOI Invitation ("EOI Information") must be kept confidential by the Recipient unless or until the Recipient can reasonably demonstrate that:

- i. the EOI Information is in the public domain through no fault of the Recipient; or
- ii. the EOI Information has been lawfully obtained from any third party; or
- iii. the EOI Information is already lawfully known to the Recipient at the time that the Recipient receives such information; or
- iv. the Recipient is obliged by law to disclose the EOI Information,

in which case this obligation in respect of that information shall cease.

The Recipient is only permitted to disclose the EOI Information to its officers, directors, employees, consultants and professional advisers who:

- a) have a need to know (and then only to the extent that each such person has a need to know);
- b) are aware that the EOI Information should be kept confidential; and
- c) have been directed by the Recipient to keep the EOI Information confidential and have undertaken to keep the EOI Information confidential.

The confidentiality obligation contained above shall endure without limit in point of time unless and until the EOI Information falls within any of the provisions of paragraphs 4.i. to 4.iv above.

5. Ownership of EOI Information

All EOI Information remains the sole and exclusive property of Lemur Holdings. The disclosure or use of any EOI Information shall not constitute nor be construed as evidence of any implied license or other transfer of rights in respect of any EOI Information to the

Recipient and the Recipient acknowledges that it does not and shall not acquire any rights of whatsoever nature in any EOI Information.

6. Representations

No representation made by or on behalf of Lemur Holdings in relation to the EOI Information or its subject matter will be binding on Lemur Holdings unless that representation is expressly incorporated into any contract(s) ultimately entered into between Lemur Holdings and a Recipient.

7. Prohibited contact

Without first obtaining the written approval of Lemur Holdings, Recipients must not, and must ensure that their Representatives do not:

- i. contact, make any enquiry to or have any discussions (in any form, whether written, oral or otherwise) to any contractor, government or relevant authorities in relation to any aspect of the Project during the EOI process;
- ii. enter, traverse, inspect, test, sample or occupy land in connection with the Project or its response, whether under a statutory power or with consent; or
- iii. contact, or seek to contact, or negotiate with any landowner (or party with interest in land), tenant or occupier of land in connection with the Project or its response.

8. Requests for further information

If Recipients find any discrepancy, error, or have any doubt as to the meaning or completeness of this EOI Invitation, or require clarification on any aspect of it, they should notify Lemur Holdings in writing, not less than 7 days before the Closing Date. Lemur Holdings may issue an addendum to all Recipients clarifying the discrepancy, error, doubt, or query (as the case may be) and may extend the Closing Date if Lemur Holdings considers it appropriate in all the circumstances.

Lemur Holdings reserves the right not to respond to any question or request, irrespective of when it is received.

9. Conflict of interest

A Recipient must not, and must ensure that its representatives do not, place themselves in a position that may or does give rise to an actual, potential or perceived conflict of interest between Lemur Holdings and the Recipient's interests during the EOI process. If an actual, potential or perceived conflict of interest arises, then the Recipient must promptly notify Lemur Holdings and take any steps that Lemur Holdings reasonably requires to address the conflict of interest.

10. Submitting a Response

A response must meet the following requirements:

- i. The form of response must follow the structure and include the information requirements in Section C.
- ii. If the Recipient cannot provide any of the required information, the Recipient must state this in the response, with reasons.
- iii. The person submitting the Response must be authorised to do so on behalf of the Recipient.
- iv. The Response must be sent to Lemur Holdings by 11:00 am on the Closing Date.

Lemur Holdings may, at its absolute discretion, accept or exclude late or non-conforming responses.

11. Recipients to perform own due diligence

By submitting a response, a Recipient is taken to have, at its own cost and expense:

- i. read and understood the requirements of this EOI Invitation;
- ii. made all reasonable enquiries, investigations and assessment of available information relevant to the risks, contingencies and other circumstances relating to the Project; and
- iii. satisfied itself as to the correctness and sufficiency of its response.

12. Responses commercial-in-confidence

Lemur Holdings will retain all responses to this EOI Invitation and may copy and distribute responses for the purposes of evaluation.

Responses will be treated as confidential and will not be disclosed outside Lemur Holdings unless it is:

- i. required by law, or in the course of legal proceedings;
- ii. requested by any regulatory or other government authority having jurisdiction over Lemur Holdings, or its activities; or
- iii. to Lemur Holdings external advisers, consultants or insurers.

13. Use of Responses

Upon submission, all responses become the property of Lemur Holdings. Recipients will retain all intellectual property rights contained in their submitted response.

Each Recipient, by submission of their response, is deemed to have licensed Lemur Holdings to reproduce the whole, or any portion, of their response for the purposes of enabling Lemur Holdings to evaluate the response and to define its requirements for the

Project and the content of any future Invitation to Tender or other document describing or relating to the Project.

14. Withdrawal of Response

A Recipient who wishes to withdraw a response must immediately notify Lemur Holdings of that fact. Upon receipt of such notification, Lemur Holdings will cease to consider that response.

15. No reimbursement of costs

Lemur Holdings will not be responsible for, and no Recipient is entitled to be reimbursed for, any expense, liability or loss incurred in the preparation and submission of its response or for any costs incurred in attending meetings with Lemur Holdings or providing any further clarification requested by Lemur Holdings.

16. No publicity

Recipients must not make any public or media announcement about this EOI Invitation or the outcome of this EOI process without Lemur Holdings' prior written approval.

17. No anti-competitive conduct

Recipients must ensure that they (and their Representatives) do not:

- i. discuss the EOI Information with any other person they know has received this EOI Invitation or might reasonably be expected to have received it; or
- ii. engage in any conduct that is designed to, or might have the effect of, lessening competition in relation to the contestable portions of the Project or the supply to Lemur Holdings of the services contemplated by this EOI Invitation.

Recipients who wish to engage in legitimate teaming or sub-contracting discussions with persons who might deliver the Project must obtain Lemur Holdings' prior written approval.

Next steps

18. Options available to Lemur Holdings

After evaluation of all responses, Lemur Holdings may, without limiting other options available to it, do any of the following:

- i. pre-qualify and/or pre-register a shortlist of Recipients and invite tenders from those Recipients;
- ii. enter into pre-contractual negotiations with one or more Recipients;
- iii. decide not to proceed further with the EOI process or any other procurement in relation to the Project;

- iv. commence a new procurement process in relation to this Project on a similar or different basis to that outlined in this EOI Invitation.

19. No obligations

Lemur Holdings is under no obligation to pre-qualify or pre-register any Recipients, call for tenders from or to enter into a contract with any pre-qualified or pre-registered Recipient or any other person.

Irrespective of whether Lemur Holdings pre-qualifies or pre-registers any Recipients, if Lemur Holdings decides not to call for tenders or enter into a contract in relation to the Project, Lemur Holdings may proceed with any alternative process including, but not limited to, determining that any or all of the augmentations are to be contracted on a non-contestable basis.

20. No obligation to debrief

Lemur Holdings is under no obligation to debrief any Recipient as to Lemur Holdings evaluation of responses or give any reason for the acceptance or non-acceptance of any Response or any decision not to call for tenders.

21. Lemur Holdings' rights

Notwithstanding anything else in this EOI Invitation, Lemur Holdings reserves the right, in its absolute discretion at any time, to:

- i. cease to proceed with or suspend the EOI process;
- ii. alter the structure of, or vary or extend any time or date specified in, this EOI Invitation;
- iii. require additional information or clarification from any Recipient or any other person or provide additional information or clarification;
- iv. negotiate with any one or more Recipient and allow any Recipient to alter its response;
- v. call for new responses;
- vi. accept any response received after the Closing Date;
- vii. reject any response that does not comply with the requirements of this EOI Invitation; and/ or
- viii. terminate the participation of any Recipient or any other person in the EOI process.

Where these EOI Conditions contemplate Lemur Holdings consenting or approving to some act or thing, Lemur Holdings, in its absolute discretion, may withhold consent or approval or give its consent or approval subject to conditions at its absolute discretion.

