

Terms and Conditions "BHP Tailings Challenge"

1. Background

BHP Tailings Challenge (The Challenge) is an initiative led by BHP with the support of Fundación Chile through its mining open innovation program Expande. The Challenge seeks to identify sustainable economy models (technology + business model) able to repurpose tailings into marketable solutions. To this end, BHP has made available USD 10,000,000 in grants to be distributed among the teams participating in this challenge. Through BHP Tailings Challenge, BHP seeks to promote the development of new technologies and / or business models that allow improving the sustainability of the industry.

The Challenge aims to identify solutions able to repurpose massive volumes of fresh copper tailings as part of an economically feasible business model. Consolidated tailings are outside the scope of this challenge. There is no prefixed volume to be repurposed, but proposals are expected to manage a volume large enough to be relevant in a mining operation.

Solutions are not expected to be site specific but scalable to different mining sites. Given that mining operations can be in remote locations, teams can anticipate logistics to be challenging. Additional background information can be found in the technical documents available at www.tailingschallenge.com.

BHP is a world-leading resources company. It extracts and processes minerals, oil and gas and their products are sold worldwide. Their purpose is to bring people and resources together to build a better world.

Expande is a public-private Open Innovation Mining program, managed by Fundación Chile, which encourages the development of high-potential solutions from technology-based companies and connects them to the challenges the mining industry. The program has the support of Corfo and the participation of Antofagasta Minerals, BHP, Codelco, Teck Resources, Ministry of Economy, Development and Tourism, Ministry of Mining, and IDB-MIF.

2. Objective

The Challenge seeks to identify and implement sustainable economy models able to create marketable solutions using fresh copper mining tailings as raw material. To this end, it seeks to identify a combination of technology and business acumen to help the industry reduce its impact on the environment and on communities. The Challenge is aligned with BHP's sustainability strategy, which seeks to minimize waste creation on its operations.

During the first stage of The Challenge, an evaluation board consisting of specialists from BHP will select up to 10 applications to move forward in the process. Applicants are expected to meet all the requirements described in points 3 and 6 of these Terms and Conditions.

3. Who can apply

3.1 Legally constituted entities, as per accordance with the legislation in force in their country of origin, are eligible to participate. In the case of teams and consortia, it must be clearly identified the responsible institution before BHP.

3.2 Legal entities that comply with the requirements established in this document and submit an application will have the capacity of "Applicants".

3.3 The complete process will be divided into 4 stages: "**Open call**," "**Proof of Concept**," "**On-Site Test**" and "**Scale**," each of which will be described in detail in point 5.

4. Application calendar

4.1 The following are the relevant dates for BHP Tailings Challenge:

Stage		Date
1. Open call	1.1 Start of the open call process	06/16/2020
	1.2 End of submissions	08/21/2020 (14:00 EST)
	1.2 Participant selection	09/2020
2. Proof of concept	2.1 Development Proof of Concept	09/2020
	2.2 Presentation of results and business model	06/2021

	2.3 Finalists selection	07/2021
3. On-site test	3.1 Implementation of onsite testing	07/2021
	3.2 Final presentation of results and business model	03/2023
	3.2 Grants	03/2023
4. Scale up	4.1 Technology scaling	TBD

4.2 The calendar is available on The Challenge’s website: www.tailingschallenge.com.

Notwithstanding the foregoing, BHP reserves the right to modify the previous dates if they deem it appropriate, without further liability for them. In such an event, the changes will be communicated in a timely manner on the website and in the updated Terms and Conditions provided therein.

5. Challenge stages

An evaluation team comprised of representatives from BHP will select the Participants. The results of each stage will be communicated by email to applicants using the information provided in the application form.

The stages of the process are:

5.1 First stage : "Open call"

5.1.1 Open call process

Applicants must fully complete the application form available on the website www.tailingschallenge.com previous to the closing date and time of the call indicated in point 4.1.

Applicants who meet the minimum requirements requested in point six below will have the capacity of "Candidates" and will be considered eligible to be part of the evaluation process.

To be eligible for evaluation, all technology components of proposed solutions must have at least a demonstrable scientific basis (TRL 2 or higher as described in point 6.1). This can be based on previous studies, papers, test results or implementations.

Applicants must be available to deliver support of its legal entity background and legal ability to use the proposed background Intellectual Property (IP) at the request of the evaluation team to verify their eligibility. This information will be kept confidential by Expande, BHP and the applicant, as expressed in point 11 of these Terms and Conditions, and only can be used for the purposes of this challenge.

5.1.2 Selection of Participants

A group of up to 10 Applicants will be selected by the evaluation team to proceed to the Proof of Concept stage. If selected, the Applicants will have the capacity of "Participants". The evaluation team will be made up of experts from BHP and might carry out personalized interviews with high-potential applicants to better understand the details of their submission. If requested, this interview will be mandatory, and the date will be duly communicated. The possibility of holding a video conference could be available at the sole discretion of BHP.

The selection of participants will be based on an evaluation guideline and in compliance with the mandatory requirements described in point 6 below. However, the evaluation team is not obliged to select a minimum number of Applicants, and reserves the right not select any Applicant if minimum requirements are not met or no proposal is considered promising, without further responsibility for BHP.

The results will be communicated on the dates indicated in point 4.1 by email to the Applicants, who are responsible for reviewing the information and responding within the corresponding deadlines.

Participants must present their proposals at a "Demo Day", the format and date of which will be duly communicated. This activity is mandatory and only in extremely justifiable cases the option of a remote presentation will be considered. This last consideration will be at the absolute discretion of BHP.

The evaluation team is not forced to communicate evaluation details to the applicants, or to provide any type of feedback or justification about the decision.

The evaluation process will be performed under the following criteria:

Evaluation Criteria	Details
Comprehensive solution	Proposal covers from the tailings discharge to delivery of end solutions including description of sources of values (see point 8 for battery limits).

Ability to stabilize elements most commonly present in copper tailings	Asses the safety of the solution and its ability to be replicable in different mining sites.
Volume of fresh tailings to be repurposed	Even though there is no minimum threshold to participate, applicants need to consider the ability to have create meaningful impact in a large-scale mining operation
Lab test execution capabilities	Tests to be performed, ability to perform them and expected results. Facilities involved and supporting documents.
Environmental and social impacts and mitigation	Assessment of potential environmental and social impacts. It is expected for proposals not to create an environmental or social liability.
TRL of each technology involved and ability to scale	Eligible technologies can be at an early stage (TRL 2 onward) but need to scale quickly in order to be ready to go to market in 22 months.
Teams and companies experience and capabilities	Demonstrate an understanding of the required competencies and abilities to execute the project as well as R&D, innovation and business experience.
High level of innovation	Describe your edge, what makes your solution innovative? What differentiate you from your competition? Are you using a novel technology that has not been previously piloted?
High level market assessment and business model	General business model, value proposition and markets description to justify economic potential. A detailed market assessment and business model will only be required by the end of the Proof of Concept stage.
Social value aspects	Additional positive impacts to be created (gender parity, indigenous participation, local job creation, green jobs, downstream jobs, etc...)

5.2 Second stage: “Proof of Concept”

5.2.1 Proof of concept development

To participate in the Proof of Concept stage, each Participant will be required to **sign a Memorandum of Understanding (MOU)** and a **Non-Disclosure Agreement (NDA)** with **BHP** which will regulate the transfer from BHP of a **USD 50,000 grant with the exclusive purpose of performing activities and/or tests** clearly related to proposal submitted for The Challenge and the transfer of the confidential information about

Participant's business, intellectual property (IP), solutions or products. Participants must commit to execute the activities/laboratory tests and present their results to BHP.

BHP will make available tailings samples to the Participants for the execution of lab tests or other related activities. The maximum execution time for this task is 6 months since reception of the tailings sample. Any additional resources required for the development of the proposed tests or activities will be the sole responsibility and cost of the Participant. If required, Expande could be available to provide support for a fundraising effort.

During this stage the Participants will be allowed to incorporate new members to their teams, whether these are individuals, companies or institutions. The option of merging different Participants into a single team will also be available. In any of the cases above, it is a condition to maintain at least one of the initial official representatives of the Participant as leader and obtain prior approval from BHP, which will resolve at its sole discretion, without further responsibility for it or for the organizing entities.

BHP reserves the right to modify the dates previously described if necessary, without further responsibility for it. This may or may not affect the subsequent dates described in point 4.1, which will be timely informed to the Participants.

5.2.2 Presentation of results and business model

By the end of the Proof of Concept stage, Participants must submit their results in detail and present a business model to demonstrate the technical and economic feasibility of the proposed solution to an evaluation board.

The results of the laboratory tests must be replicable and statistically significant in order to validate the hypothesis originally proposed. In addition, a report detailing this information must be prepared and there must be a Minimum Viable Product (MVP). Both must be presented and delivered at the end of the stage according to the indicated deadlines.

It will be up to the evaluation board to request a demonstration to validate the results. This could take place remotely or at the Participant's facilities. If requested, this demonstration will be mandatory at the location defined by BHP.

The business model must consider the complete cycle, from recovery of tailings, to process, to repurpose, to marketing, and include at least a market study that allows a conservative estimate of market size, annual sales and potential price, as well as an estimated CAPEX and OPEX.

All Participants must present both their results and business model in a second Demo Day. The format, date and location of the event will be duly informed. Participation in person at this event is mandatory for all participants. The possibility of holding a video conference could be available at the sole discretion of BHP.

5.2.3 Selection of finalists

An evaluation board made up of experts from BHP will carry out personalized interviews with the Participants to delve into the technology solutions and business models. Only in extremely justified cases will the possibility of holding a videoconference be considered. The decision of whether to hold a live or video interview will be at the sole discretion of BHP.

The evaluation team will select up to three Participants to move forward to the next stage based on an evaluation guideline and compliance with the mandatory requirements described in point six. The selected participants will have the capacity of "Finalists". The evaluation team will reserve the right to, in presence of an exceptionally good group of proposals, select up to two additional Finalists. The evaluation team, however, reserves the right not to select any Participant and stop the process at this stage if, according to its own criteria, no promising proposals are identified, without further responsibility for BHP or obligation to justify its decision.

The results will be communicated on the dates indicated in point 4.1 by email to the Participants, who are responsible for reviewing the information and responding within the corresponding deadlines.

The reasons for this resolution are exclusive and reserved for the evaluation team and it is not their obligation to communicate to the rest of the Participants, as well as to deliver any type of feedback on the application or selection.

5.3 Third stage: "On-Site Test"

5.3.1 Implementation of On-Site Tests

During the periods indicated in point 4.1, the Finalists must demonstrate that the proposed solution is industrially and commercially viable, under real environment or in similar conditions.

To participate in the On-Site stage, each Finalist will be required to **an agreement with BHP** which will regulate the transfer from BHP of a **USD 300,000 grant with the exclusive purpose of performing activities and/or tests** clearly related to The Challenge and the transfer of the confidential information about Participant's business, IP, solutions or products.

The grant could be provided instalments each of which could be subject to milestones or KIPs to be established specifically for each Finalist.

At this stage, it is expected for the Finalists to be able to fundraise to cover the gap between BHP's contribution and the cost of the On-Site test. Expande will provide strategic advice for these fundraising efforts.

All Finalists must present their results in person to BHP. Only in extremely justified cases will the possibility of holding a videoconference be considered. The decision of whether to hold a live or video interview will be at the sole discretion of BHP.

Additional process and technical details/requirements of this stage will be communicated to the selected Finalists on a duly manner.

There is a maximum execution time of 18 months for the on-site test from the starting date of this stage, as indicated in point 4.1. BHP reserves the right to modify the dates previously described if necessary.

At this stage, the Finalists can add new members to their teams, be they individuals, companies or institutions. It is a condition to maintain at least one of the initial official representatives of the Participants as leader and obtain the prior approval of BHP, which will resolve at its sole discretion, without further responsibility for it or for the organizing entities.

BHP personnel, or others designated by the contest organization, may require observing and reviewing the onsite tests and review the results to date in order to evaluate the progress of the initiative. Finalists must waive the right to refuse such requirement. If required, these reviews will be mandatory and will be protected by confidentiality agreements between BHP and the Finalists, protecting confidential information of both parties.

5.3.2 Grants

During the periods established in point 4.1, Finalists must issue a report with the results of the implementation of their on-site test for the final evaluation process. In addition to technical information, this report must include at least the following information:

- Economic analysis: It must consider at least the description and quantification of the market or markets, market share to be captured, comparative advantages, competition, business model, sources of income, market penetration strategy, growth plan, price of products or services, CAPEX, OPEX, transportation and logistics, NPV, IRR, commercial terms with the tailings owner and list of interested investors.

- Description and / or agreements with potential buyers.
- Description and structure of the marketing entity.
- Annual volume of tailings to be processed based on technical and economic variables.
- Environmental analysis of the proposed process.

The results and conclusions of the report must be presented in person to an evaluation board made up of experts appointed by BHP who will choose the winner or winners. This presentation is mandatory. The date and location will be informed in a timely manner by the organization. Only in extremely justified cases will the possibility of holding a videoconference be considered. The decision of whether to hold a live or video interview will be at the sole discretion of BHP.

BHP will make available a total of USD 8,600,000 in grants to the winner or winners whose solution(s) is (are) considered to address the objective of The Challenge in a way that is both, technically feasible and attractive from an investment perspective. The distribution of this resources among awarded finalists is at the sole discretion of the evaluation board.

5.4 Fourth stage: "Scaling"

The scaling stage seeks to implement a sustainable economy fresh tailing repurposing business at one or more sites in which BHP has an interest.

To this end, after the award, BHP will reserve the right to continue negotiations with any of the participating teams in order to explore a potential commercial agreement for the repurposing of tailings from one or more of its operations, without distinguishing whether they are operated by BHP or not. Participating teams will have an obligation to negotiate with BHP, with BHP having a first right of refusal to any commercial agreement with the teams perform with BHP or other clients.

All technical and commercial details of this stage will be communicated within the corresponding deadlines.

6. Mandatory requirements for application

6.1 Applicants must have solutions that are at a conceptual level with a clear scientific basis (Technology Readiness Level 2 or higher, see table below). No previous pilot tests are required.

Technology Readiness Levels Index

TRL	Definition	Scale
9	System operating according to design	Actual scale = 1
8	System completed and qualified through tests and demonstrations in operational environment	
7	Prototype demonstration in an operational environment	
6	Demonstration of end-to-end systems, subsystems, and components	Engineering 1/10 < scale < 1
5	Validation of systems, subsystems and components in a complex or relevant environment	
4	Validation of components or subsystems in a laboratory environment	Laboratory, bank Scale < 1/10
3	Critical functions at the analytical or experimental level and / or Proof of concept of the characteristics	
2	Technological concept and / or formulated application	
1	Basic principles observed and reported	

6.2 Applicants must have a strong technological base and the ability to perform laboratory tests.

6.3 In the early stages of the process, considering the Call and Proof of Concept, it is highly desirable that Applicants include a master's in business administration (MBA) as part of the team or a high-level market assessment. A detailed business model will only be required in the final stages of Industrial Testing, Award and Scaling.

6.4 Applicants must fully complete The Challenge application form (www.tailingschallenge.com) within the dates established in point 4.1.

6.5 The official language of the call is English. Only applications in this language will be considered acceptable.

6.6 Applicants who are selected must make their presentations in English.

6.7 Applicants must attend all the meetings and workshops described as mandatory in these bases in person or by videoconference.

6.8 In case of being pre-selected, applicants must submit, if applicable, additional information to that presented in the previous stage.

7. Grants

- A USD 50,000 grant for teams selected to participate in the “Proof of Concept” stage.
- A USD 300,000 grant for each of the teams selected to participate in the “On Site Test” stage.
- A USD 8,600,000 grant for the winning solution. This can be allocated to one or more teams if more than one solution is considered highly relevant to address the challenge by the evaluation board.

BHP reserves the right to declare the challenge void at any stage of the process, without further responsibility or obligation to justify the decision.

8. Battery limits

Battery limits are from tailings discharge to end clients. The specific location of the discharge is to be defined as proposals mature over the process but any required investment from a mining operation would need to be analyzed in a case to case basis and would only be eligible if there is a clear positive return on investment or safety.

9. Acceptance of the Terms

9.1 BHP and Expande may freely update or unilaterally modify these Terms at any time, through the publication of the new version on the website of the call (www.tailingschallenge.com).

9.2 BHP and Expande reserve the right to cancel, modify, or suspend the application process or vacate the number of those selected in any of the selection stages if it deems appropriate, without further responsibility or obligation to justify the decision.

9.3 Submission of an application will be considered as irrevocable acceptance of these Terms for all legal purposes.

9.4 The data provided by the applicant must be correct, truthful and complete, assuming all responsibility for the lack of veracity, completeness or accuracy thereof. In the event that the data provided by an applicant results being false, inaccurate, incomplete or misleading, BHP and Expande will be empowered, without

prejudice to other legal measures at their disposal, to withdraw, deny or suspend the rights granted to the applicant by these Terms and Conditions.

9.5 The Applicant agrees that BHP has final authority with respect to the application and during the application selection process.

10. Trade Marks

The Applicant irrevocably authorizes BHP and Expande to use their name and image in the advertising material related to this application and / or the dissemination activities of BHP Tailings Challenge that it seems appropriate.

11. Confidentiality

11.1 BHP and Expande declare that it's technical and / or commercial information exchanged for this program, or provided by de Applicant, will be kept confidential for each of the stages of the selection process and indefinitely after its complete execution. It only can be used for the purposes of this challenge. If necessary, an NDA (Non Disclosure Agreement) will be signed as described in point 5.2.1 of these rules to protect the information that is considered sensitive by the applicant.

11.2 All the information requested in the application is compulsory for it to be carried out, considering it to be essential for the development of the application process.

12. Intellectual property

All intellectual property generated by the participants will remain in their ownership with BHP claiming no claim of it. It only can be used or tested for the purposes of this challenge.

Participants will have to demonstrate their ownership or right to use the background intellectual property behind their proposals if requested by BHP.

13. Exclusivity

BHP will not require exclusive use to the sustainable economy solution developed.

14. Inquires

All inquiries regarding the call must be made through the Q&A section of BHP Tailings Challenge web page. You will be required to login with your username and password to access this functionality.

15. Legal

For all purposes of the challenge "**BHP Tailings Challenge**" the address is set in the city of Santiago de Chile.

Any difficulty or controversy that occurs between the applicants regarding the application, interpretation, duration, validity or execution of the challenge "**BHP Tailings Challenge**" or any other reason related to said challenge will be submitted to arbitration, in accordance with the Center's Arbitration Procedural Rules. of Arbitration and Mediation of Santiago, in force at the time of requesting it.

BHP and Applicants confer from now on irrevocable special power to the Chamber of Commerce of Santiago AG, so that, at the written request of any of them, it designates an arbitrator regarding the procedure and the Chilean law regarding the ruling, from among the members of the arbitration body of the Santiago Arbitration and Mediation Center.

There will be no appeal against the decisions of the arbitrator. The arbitrator is specially empowered to resolve any matter related to his competence and / or jurisdiction.

The Companies and Applicants will respect the current legislation in Chile regarding the protection of data used and anti-corruption.