

1. INTRODUCTION

1.1 These Terms & Conditions for Suppliers (the “Terms and Conditions”) apply to each agreement by purchase order for the supply of goods, services, materials and or equipment to K.M.C. Mining.

1.2 The provisions of the Purchase Order will take precedence over all other documents followed by these Terms and Conditions.

1.3 In the event of a conflict or contradiction between these Terms and Conditions and a provision of another document, including a proposal from the Supplier, that is part of this agreement, the provisions of these Terms and Conditions shall govern unless otherwise expressly so stated on the Purchase Order.

2. ACCEPTANCE OF TERMS

2.1 The Supplier’s acceptance of an order from K.M.C. Mining for the supply of Goods constitutes the Supplier’s agreement to a binding contract and the Supplier’s acceptance of all of these Terms and Conditions, except as may be specifically otherwise agreed to in writing by K.M.C. Mining. Such agreement supersedes and cancels all previous agreements, offers or proposals between the parties relating to the Goods, either oral or written, including offers from the Suppliers contained in the Supplier’s proposal or otherwise. The Supplier’s delivery of any of the Goods, or a portion thereof, without written confirmation of acceptance by the Supplier is deemed to be acceptance by the Supplier of all of these Terms and Conditions.

3. SHIPPING INSTRUCTIONS

3.1 A packing slip detailing the following information must accompany all shipments of Goods: (a) Supplier’s name and address; (b) packing slip number; (c) K.M.C. Mining purchase order number; and (d) a description of the Goods shipped, including the quantities and where applicable, weight of each item.

3.2 Packaging and/or crating of Goods shipped to K.M.C. Mining shall be of sufficient quality and care to ensure the Goods will be safe, secure and will not be damaged or suffer corrosion or deterioration.

4. LOSS OR DAMAGE IN TRANSIT

4.1 Unless otherwise specified in writing by K.M.C. Mining, the risk of loss or damage to any of the Goods shall remain with the Supplier until the Goods have reached the FOB or CIF point or any other incoterm referenced on the p/o. K.M.C. Mining reserves the right to claim damage (where applicable) against the vendor, up to 48 hours after the receipt of goods.

5. DELIVERY

5.1 The Goods shall be delivered to K.M.C. Mining site or other site stated on the Purchase Order the terms of the Purchase Order will govern

6. CANCELLATION

6.1 K.M.C. Mining may at anytime (by written notice to the Supplier) cancel this agreement with respect to Goods that (as of the date of cancellation) have not been delivered. In that event K.M.C. Mining will pay all reasonable costs the Supplier has incurred or has irrevocably committed to incur, with respect to the cancelled Goods. Such payment shall in no event exceed the purchase price under this agreement with respect to the cancelled Goods, and shall be reduced by any refunds or salvage available to the Supplier, plus the aggregate amount, if any, previously paid by K.M.C. Mining on account of the cancelled Goods

7. QUALITY

7.1 All Goods and, as the case may be installation, shall comply with and meet: (1) any specifications or standards provided by K.M.C. Mining in writing relating to the Goods; and (2) all requirements of authorities having jurisdiction.

7.2 As a condition of acceptance by K.M.C. Mining, all Goods will be subject to inspection by K.M.C. Mining: (a) at the place specified for delivery or as the case may be upon installation and testing; or (b) as may be specified in writing by K.M.C. Mining, at the Supplier's or other premises, and if rejected by K.M.C. Mining in its sole discretion because the Goods do not comply with the specified quality, technical specifications and/or quality of workmanship, the Goods will, as directed by K.M.C. Mining, be removed and/or replaced at the Supplier's expense.

7.3 Suppliers will comply with any and all regulated programs and K.M.C. Mining requested quality assurance inspections, as may be specified by K.M.C. Mining. Suppliers will ensure that all inspection documentation is completed and signed and delivered to K.M.C. Mining, including any sequential inspections required with respect to the installation of Goods.

7.4 Acceptance of the Goods by K.M.C. Mining, including verification at any time of the quality of the Goods or any payment for the Goods, will not be interpreted to mean that K.M.C. Mining has in any way accepted Goods, or as the case may be the installation of Goods, that do not comply with the specified quality requirements or that the Supplier is in any way relieved from its obligation to comply with such specified quality.

8. TIME

8.1 Time is of the essence with respect to the supply of the Goods by the Supplier and all supply and delivery of Goods, including as the case may be installation, must be completed by the specified date on the p/o or conveyed dates. "Arrival date" shown on the p/o means the date the goods are delivered to specified "Ship To" address.

8.2 , K.M.C. Mining at its discretion, may require progress reports on the supply of Goods; the Supplier will provide the information within 24 hours of K.M.C. Mining's request.

8.3 Upon awareness of a potential delay in the delivery of Goods to K.M.C. Mining or its specified site, the Supplier shall give K.M.C. Mining timely communication as to any deviation that would extend the stated ship date. No notice could be cause for cancellation of the order.

9. WARRANTY

9.1 The Supplier warrants and guarantees that the Goods supplied will comply with all requirements of the Purchase Order. The Supplier specifically confirms it is aware of the intended use of all of the Goods and warrants and guarantees the Goods are fit for their intended use and are free from defects in design, workmanship, and material.

9.2 If at any time (during a parts intended useful life) the Goods as delivered fail to comply with the requirements of the manufacturer and this agreement, then the Supplier agrees to repair, replace and/or install at its own expense or at a negotiated price (if work done by others) any defective Goods or parts thereof. The manufacturer's warranty (of vendor parts purchased by K.M.C. Mining) is considered to start with the use of said attachment by the end user.

10. REPRESENTATIONS AND WARRANTIES

10.1 The Supplier represents and warrants:

(a) The Goods are free and clear of all charges, liens, claims or encumbrances.

(b) The Supplier has full authority to pass title to the Goods.

(c) The Goods do not contain asbestos, PCBs, Ozone Depleting Substances (including Halon) or any other banned substance in accordance with the laws of Canada and the governing Province.

(d) The Goods do not, and will not at any point during their life cycle, pose environmental or health and safety hazards.

(e) Any identified hazardous/carcinogenic ingredients (according to the applicable governing agencies of Canada) in any product destined to K.M.C. Mining must be accompanied by a current MSD sheet and K.M.C. Mining must be notified prior to the delivery and agree to such delivery of said goods.

If any of the Goods that are supplied by the Supplier are found to be in breach of this section then K.M.C. Mining shall be entitled to reject such Goods, to demand their replacement not so in breach, and the Supplier shall indemnify K.M.C. Mining from any costs or expenses incurred by K.M.C. Mining.

11. RETURN POLICY

11.1 Goods identified on any Purchase Order, which are in the original packaging and in original condition and part of the vendors standard inventory, shall be returnable for full credit, freight prepaid, and if within 120 days of purchase. A 15% restocking fee will be permissible if within 121 to 360 days. Product documentation and return for credit information shall be provided to expedite return.

12. INVOICING AND PRICE

12.1 The Supplier's price shall exclude all taxes, duties and other charges payable, including PST, GST, which will be shown as separate line items. The price shall be deemed to include all freight and transportation, unless otherwise noted on the Purchase Order.

12.2 Each invoice shall include documents as are customary, or required by law, including a sufficient and correct description of all Goods, quantity of Goods supplied and all Invoices must reference the correct legal entity and Purchase Order number, otherwise the invoice can be deemed null and void.

12.3 When shipment is made from outside Canada, customs invoices in quadruplicate, certified in accordance with Canada Customs regulations, must be supplied in the manner stated in this order.

12.4 The Supplier will submit one original and one copy of all invoices, including all supporting documentation, no more than 7 days after receipt of Goods delivered, to the attention of Accounts Payable, to the Address as indicated on the purchase order.

12.5 K.M.C. Mining will pay invoices, net of withholdings from authorities having jurisdiction, within 25 days of the following month, on which goods were delivered. If K.M.C. Mining does not agree with the invoice or portion of an invoice, K.M.C. Mining will pay the portion it determines as owing and will include with the payment an explanation for any such invoice reduction.

13. RECORDS

13.1 The Supplier will retain copies of all information, calculations and data the Supplier receives or produces in supplying the Goods, and all invoices and costs records, and on request make them available to K.M.C. Mining. All information K.M.C. Mining to the Supplier, or which the Supplier generates in relation to the Goods, is confidential and shall not be disclosed without the other party's written approval.

14. SUPPLIERS WORKING ON-SITE

14.1 Prior to commencing any installation of the Goods or other work at a K.M.C. Mining site, the Supplier must report to K.M.C. Mining's front office for check in procedures and if required, then furtherance to K.M.C. Mining's first aid/safety facility. K.M.C. Mining will provide the Supplier with contractor orientation.

14.2 All work performed for K.M.C. Mining by Suppliers at a K.M.C. Mining Site shall be in accordance with Workers' Compensation Board (~WCB~), Canada Labour Code regulations, Occupational Health and Safety (OH&S) and K.M.C. Mining's safe work procedures and policies. Prior to the commencement of the work, and upon completion of the work, all Suppliers shall provide to K.M.C. Mining (as requested) a current WCB clearance letter. The WCB clearance letters are subject to K.M.C. Mining's acceptance and might be required prior to payment of invoice.

14.3 All communications related to the Goods or the Supplier's work must be directed to an authorized representative of K.M.C. Mining. Suppliers shall not accept instructions or directions

pertaining to the performance of the work from any source other than an authorized K.M.C. Mining representative, without written notice.

14.4 Suppliers shall keep their work areas at any K.M.C. Mining site clean and tidy at all times. All hazardous materials and waste are to be clearly marked and handled in accordance with WHMIS Standards, K.M.C. Mining Policies, and regulatory authorities.

14.5 All documentation required by these Terms and Conditions is a condition precedent to the payment for Goods.

14.6 Any Supplier working on per diem rates must have their daily time sheet approved by an authorized K.M.C. Mining representative. Daily time sheets must accompany each Supplier invoice. No overtime shall be worked unless it is pre-approved by a authorized K.M.C. Mining representative.

15. INDEMNITY

15.1 The Supplier will indemnify and save K.M.C. Mining harmless from and against all claims and costs of any kind whatsoever that K.M.C. Mining incurs or is required to pay as a result of the Supplier's negligence or breach of this agreement by the Supplier or any party for whom the Supplier is responsible.

15.2 As party to this agreement, the Supplier is required to maintain the following insurance policies:

1. Commercial General Liability, including broad form vendors liability, contractual liability, product and completed operations liability in an amount not less than CAD\$2,000,000 per accident or occurrence (or in the aggregate with respect to Product Liability). This policy will be endorsed to include K.M.C. Mining as an Additional Insured and provide not less than 30 days written notice of cancellation or non-renewal
2. If the use of automobiles is required for the execution of the purchase order, the supplier shall maintain Automobile Liability insurance including non-owned automobile liability insurance in an amount not less than CAD\$2,000,000
3. If the handling of environmentally sensitive material is required for the execution of the purchase order then the supplier shall maintain Environmental Impairment Liability Insurance in an amount not less than CAD\$2,000,000 and endorsed to include K.M.C. Mining as an Additional Insured

15.3 Certificates of insurance with respect to the insurance coverage mentioned in section 15.2 shall be provided to K.M.C. Mining (if requested) upon acceptance of the purchase order.

16. ASSIGNMENT

16.1 The Supplier may not assign this agreement, or the proceeds thereof, in whole or in part without K.M.C. Mining's prior written consent.

17. REVISION OF TERMS

17.1 K.M.C. Mining may from time to time revise these Terms and Conditions by making additions, deletions or amendments and K.M.C. Mining will confirm such revisions in writing to Supplier, and delivery of any of the Goods, or a portion thereof following receipt of such revisions will, unless the Supplier delivers written objection to such revised Terms and Conditions, indicate the Supplier accepts the revised Terms and Conditions.

18. COMPLIANCE WITH LAWS

18.1 This agreement will be governed by and construed in accordance with the laws of the province that the business is carried out in and the applicable laws of Canada.

18.2 The Supplier represents and warrants that all Goods supplied or provided under this agreement shall comply with all applicable codes, statutes, by-laws, rules and regulations, of any Federal, Provincial or other competent authority, including any environmental laws.

19. SUPPLIERS QUALITY ASSURANCE SYSTEM ASSESSMENT QUESTIONNAIRE

19.1 This Purchase Order is subject to K.M.C. Mining's acceptance of the Supplier's response to K.M.C. Mining's "Suppliers Quality Assurance System Assessment Questionnaire" and/or "Supplier Certification Program", when required.

IF ANY VENDOR HAS AN ISSUE WITH ANY OF THESE "TERMS & CONDITIONS THEN SAID ISSUE/S NEED TO BE RESOLVED WITH K.M.C. Mining BEFORE THE PURCHASE ORDER CAN PROCEED.