

**1. Agreement to Sell Goods and/or Services**

The Supplier agrees to sell and the Company agrees to buy the Goods and/or the Supplier agrees to provide the Services which the Company agrees to accept, on and subject to these terms and conditions.

**2. Delivery, Acceptance and Title - Goods**

2.1 The Supplier must deliver the Goods to the Delivery Point by the Delivery Means on the Delivery Date (or earlier with the Company's prior written consent).

2.2 Each delivery must be accompanied by delivery dockets marked with the Order number, product description and the quantity of Goods.

2.3 Title to and risk in the Goods will pass from the Supplier to the Company on Delivery of the Goods.

2.4 Prior to accepting the Goods, the Company may reject the Goods if the Company (acting reasonably) considers any of the Warranties are untrue or have been breached or the Goods do not otherwise comply with the terms of the Order. The Company accepts the Goods if:

(a) The Company advises the Supplier in writing that the Goods have been accepted (but signing for delivery does not constitute acceptance);

(b) The Company has not rejected the Goods within 30 (calendar) days from the date of receipt at the relevant Company Site;

(c) The Company uses the Goods in a manner that materially changes their condition.

2.5 The Company's acceptance of the Goods will not preclude or prejudice any rights, powers or remedies the Company may have as a result of a breach of any of the Warranties or any other provision of these terms and conditions.

**3. Performance of Services**

3.1 The Supplier must perform all Services in accordance with the Order and these terms and conditions by the Completion Date referable to them.

3.2 The Company may in writing instruct the Supplier to vary the scope (but not the general nature) of the Services. The Supplier must comply with that instruction and a reasonable adjustment will be made by the Company to the Purchase Price.

**4. Purchase Price and Invoicing**

4.1 The Purchase Price includes:

(a) for Goods, all freight costs up to the Delivery Point, transit insurance and all other charges payable in connection with the sale of the Goods; and

(b) for Services, all costs and expenses associated with the provision of the Services, and all taxes (except GST and any applicable PST), duties, imposts and levies payable under the laws of any relevant jurisdiction.

4.2 The Supplier may only issue invoices for Goods after Delivery of those Goods and for Services after completion of those Services (in all cases in accordance with the Order) and must only send one copy of each invoice to the Company. All such invoices must be issued to the contact person nominated by the Company in the Order (or as otherwise notified by the Company) and include at least the Order number, description of the Goods and/or Services, the quantity of Goods and date of Delivery of the Goods or performance of the Services and be dated the date the invoice is sent to the Company.

4.3 Subject to clause 4.7, the Company must pay the Purchase Price by cheque or electronic funds transfer to the Supplier within 62 days after the end of the month in which the Supplier's invoice, issued in accordance with clause 4.2, is received by the Company or in the case of Goods, the month in which the Company accepts the Goods under clause 2.4.

4.4 The Supplier must have and continue to maintain all registrations required by law to enable it to charge and collect GST (and PST where applicable). If requested in writing, the Supplier must provide evidence to the Purchaser of such registrations.

4.5 The Supplier acknowledges that the Company may be obliged under Canadian law to withhold a portion of payments due to the Supplier under this Contract for provision to the relevant Canadian tax authorities ("Withholding Tax").

4.6 Any withholding or deduction of Withholding Tax in the amount reasonably determined by the Company will not constitute a breach of this Contract by the Company and the payment of such amount by the Company to the relevant Canadian tax authorities is a full discharge of the Company's obligation to pay such amount to the Supplier.

4.7 If the Purchase Price falls due for payment on a day that is not a Business Day, payment must be made on the next Business Day.

4.8 The Company is not obliged to pay any invoice which is received by the Company more than 90 days after the date of Delivery of the Goods and/or completion of performance of the Services.

**5. Supplier Obligations - Goods**

The Supplier must:

5.1 properly carry out all testing and quality assurance procedures, and provide to the Company all test certificates, required by the Order or as otherwise requested by the Company;

5.2 properly pack and protect the Goods to prevent damage during transit and upon Delivery;

5.3 ensure that all packaging and protective coatings are safe and will not in any way affect the condition of the Goods;

5.4 ensure that all packaging, labelling and transport of the Goods complies with all laws of any relevant jurisdiction, and where applicable, with relevant Canadian and other recognised standards;

5.5 ensure that the Goods (and each sub-package of the Goods) are clearly addressed to the Delivery Point and that each sub-package is marked with the product

description and quantity of the Goods contained in it; enclose one copy of the packing list within each package of the Goods;

5.7 clearly state whether any Goods contain asbestos or other hazardous substances and, prior to delivery of any such goods, provide Material Safety Data Sheets in respect of such goods in the form required by the Company from time to time; and

5.8 on reasonable notice provide and procure for the Company (and its representatives) full access to all premises and locations to allow the Company to inspect the Goods at any time prior to their Delivery.

**6. Supplier Obligations - Services**

6.1 The Supplier must:

(a) perform the Services:

(i) at the Services Location;

(ii) in a competent, proper and workmanlike manner in accordance with good industry practice;

(iii) exercising a reasonable standard of skill, diligence, knowledge, judgement and care;

(iv) in a manner that is safe to both people and the environment assessed against the higher of industry best practice and legislative requirements;

(v) so as not to interfere with any activities of any other person at any Company premises or the Services Location; and

(vi) so as to minimise delays in the performance of the Services;

(b) supply and maintain, at its own cost, everything the Supplier requires in order to provide the Services in accordance with the Order including all personnel, goods, materials and authorisations;

(c) where the Supplier provides the Services through its employees, agents or permitted sub-contractors, ensure that such personnel are suitably qualified and competent;

(d) ensure that all equipment used by the Supplier in performing the Services is maintained in a reasonable condition and complies with and is used in accordance with all relevant laws, regulations and other governmental requirements; and

(e) pay all of the Supplier's employees and sub-contractors on time.

6.2 The Supplier must notify the Company on completion of the Services.

**7. Supplier Obligations - General**

7.1 The Supplier must (and must ensure that its officers, employees, agents and contractors), in relation to the provision of the Services and the supply of Goods, at the Supplier's cost:

(a) provide the Company with all reasonably requested information;

(b) comply with all the Company safety, health and environmental policies made available to the Supplier from time to time;

(c) comply with all applicable laws, regulations and other governmental requirements;

(d) comply with all reasonable directions and requirements of the Company (including all site conditions made available by the Company);

(e) remedy any environmental damage or degradation resulting from the Supplier's actions or omissions;

(f) take reasonable care to protect against damage or loss to all property on the Services Location and/or the Company premises and comply with the Company's reasonable requirements relating to the protection of such property;

(g) maintain and make available to the Company sufficient records to enable the Company to verify all invoices; and

(h) ensure that the Warranties are and remain true and correct at all times.

7.2 The Supplier is responsible for all acts or omissions of the Supplier's officers, employees, agents and contractors in relation to the provision of the Services and supply of the Goods.

**8. Warranties and Remedies**

8.1 The Supplier warrants that:

(a) the Supplier is the legal and beneficial owner of the Goods and has the right to sell the Goods to the Company free from all mortgages, charges, encumbrances, liens and other third party rights and claims;

(b) the delivery of the Goods and performance of the Services complies with all applicable laws, regulations and other governmental requirements;

(c) the Goods are new, free from defects, of merchantable quality and fit for the purposes for which the Goods would ordinarily be used and any other purposes notified by the Company to the Supplier;

(d) the Goods conform with any specifications provided by the Company and the Services comply with the Company's specified requirements;

(e) the Services are fit for the purposes for which they would ordinarily be required and any other purposes notified by the Company to the Supplier and will achieve any results specified in the Order;

(f) if the Supplier is not the manufacturer, the Goods conform with the manufacturer's specifications;

(g) there are no terms, conditions or restrictions which will become binding on the Company as a result of the sale of the Goods to the Company or the use of the Goods by the Company or the resale of the Goods by the Company; and

(h) all information about the Goods given to the Company by or on behalf of the Supplier is true and correct in all material respects and is not misleading in any respect.

8.2 If the Supplier breaches any Warranties or the Company rejects any Goods under clause 2.4, then at the Company's discretion and upon demand from the Company, the Supplier must (as applicable) at the Supplier's cost and expense:

(a) repair or modify the Goods to the Company's reasonable satisfaction;

(b) replace the Goods;

(c) re-perform part or all of the Services; and/or

(d) refund any amount paid by the Company to the Supplier in relation to the Goods and/or Services.

The Supplier's obligations under this clause 8.2 shall continue for at least 24 months after the Goods are first received at the Company Site.

8.3 If the Supplier fails to comply with clause 8.2, the Company may (as applicable):

(a) engage an alternative supplier to provide the Services and/or supply the Goods and recover the Company's costs of doing so from the Supplier as a debt; and

(b) repair, modify or replace the Goods and/or dispose of the Goods and recover any costs of doing so from the Supplier as a debt.

**9. Insurance**

9.1 Without limiting the Supplier's liability under the Order, the Supplier must obtain and maintain, from solvent and reputable insurers, the following insurance policies:

(a) public and products liability insurance in the amount of CAD\$20 million for any one loss or occurrence (from the date of the Order until the time when the Supplier has complied with all of its obligations under the Order);

(b) where Services are being provided, professional liability insurance in the amount of CAD\$5 million for any one loss or occurrence (from the date of the Order and for a period of 6 years after the Supplier has complied with all of its obligations under the Order); and

(c) where Goods are to be delivered to the Company's premises, third party motor vehicle insurance in the amount of CAD\$10 million for any one loss or occurrence (from the date of the Order until the time when the Supplier has complied with all of its obligations under the Order);

(d) Workers compensation insurance (as required by law).

9.2 The Supplier must ensure that any contractor appointed to perform any of the Supplier's obligations under the Order maintains the insurances referred to in clause 9.1.

9.3 Unless prevented by law, the Supplier must ensure that the insurance the Supplier obtains and maintains in accordance with these terms and conditions, notes the interests of the Company under the Order.

**10. Intellectual Property**

10.1 If the Supplier is manufacturing or procuring the manufacture of the Goods and the Goods are required to be manufactured or fabricated to the Company's specifications or special requirements (and are not goods of the type ordinarily manufactured by the Supplier or the Supplier's sub-contractors) the Company will be entitled to own all intellectual property rights of any kind that arise as a result of, or in the course of, the design or manufacture of the Goods.

10.2 If the Services are required to be performed to the Company's specifications or special requirements the Company will be entitled to all intellectual property rights of any kind that arise as a result of, or in the course of, the performance of the Services.

10.3 The Supplier warrants that the supply of the Services and Goods to the Company, the use of the Goods by the Company or any resale of the Goods by the Company will not infringe the intellectual property rights of any person and the Company will not have to pay any licence fee, royalty or other amount to any person in connection with the Services or Goods.

**11. Cancellation and Suspension**

11.1 The Company may cancel an Order by written notice given to the Supplier if the Supplier breaches any provision of the Order and such breach is incapable of remedy, or such breach is capable of remedy and the Supplier fails to remedy the breach within 14 days of receiving a notice from the Company requiring it to do so.

11.2 In addition to its rights under clause 11.1, the Company may at its option and without cause:

(a) in relation to Goods, at any time up to 14 days prior to the Delivery Date cancel all or any part of an Order by notice in writing to the Supplier; and

(b) in relation to Services, cancel all or any part of the Order or suspend the performance of the Services (or any part of them) for up to 6 months by notice in writing to the Supplier; and upon such cancellation or suspension the Company has no obligations except for those set out in clause 11.3.

11.3 For the purposes of clause 11.2:

(a) in the case of a cancelled Order for Goods:

(i) if the Goods are goods ordinarily supplied by the Supplier, the Company will be under no obligation whatsoever to pay any money to the Supplier;

(ii) if the Goods have been manufactured or fabricated to the Company's specifications or special requirements (and are not goods ordinarily supplied by the Supplier), then upon receipt of the notice of cancellation under clause 11.2 the Supplier must:

(1) immediately cease manufacture or fabrication of the Goods (unless otherwise instructed by written notice from the Company at or after the time of receipt of the notice of cancellation); and

(2) do everything possible to mitigate any

cost incurred by the Supplier upon such cancellation; and

(iii) where the Goods are of the type referred to in clause 11.3(a)(ii), the Company must pay to the Supplier, in full and final satisfaction of all of the Supplier's rights against the Company, the reasonable actual direct costs incurred by the Supplier in connection with the manufacture or fabrication of the Goods prior to the effective date of cancellation less any mitigated costs and resale proceeds;

(b) in the case of a cancelled Order for Services, the Company will pay the Supplier a fair and reasonable amount calculated by the Company for the Services performed up to receipt of the notice of cancellation, taking into account the actual direct costs reasonably incurred by the Supplier to that time and reasonable and documented demobilisation costs approved by the Company.

11.4 For the avoidance of doubt, the Company's only liability in relation to the cancellation of any Order under this clause 11 is as set out in clause 11.3 above and the Company is not liable to the Supplier for any indirect or consequential costs (including loss of profits or opportunity costs).

11.5 Without limiting clause 2.3 above, title to any Goods (and any raw materials and unfinished Goods) in respect of which the Company makes any payment under clause 11.3(a)(iii) passes to the Company on the making of that payment.

**12. Miscellaneous**

12.1 Unless this Order is placed pursuant to an existing contract between the parties which provides for the placing of purchase orders, this Order comprises, the whole contract between the parties about its subject matter and prevails over any terms and conditions put forward by the Supplier at any time.

12.2 No rule of construction applies to the disadvantage of a party because that party put forward the Order or any portion of it.

12.3 The Order and these terms and conditions are governed by the laws of the Province of British Columbia, Canada. The courts located in the city of Vancouver, BC (and the courts exercising appellate jurisdiction over them) have jurisdiction in connection with the Order and these terms and conditions. The parties submit to the jurisdiction of those courts.

12.4 No change or variation to the Order is effective unless confirmed in writing by the Company.

12.5 Except as set out in an Order, the Supplier must not permit or allow any person to exercise any of the Supplier's rights or perform any of the Supplier's obligations under the Order without the prior written consent of the Company (which consent must not be unreasonably withheld).

12.6 If any person is appointed by the Supplier to perform any of the Supplier's obligations under an Order (which appointment must be in accordance with clause 12.5), whether by sub-contract or otherwise, the Supplier is liable to the Company for all of the acts and omissions of such person.

**13. Definitions**

In the Order:

"Business Day" means a day on which the Company is ordinarily open for business in the jurisdiction that applies to the Order;

"Company Site" means the site owned or occupied by the Company which shall be the ultimate destination for the Goods;

"Completion Date" means the date for completion of the Services specified in the Order;

"Delivery" or "Delivered" means delivery or delivered to the Delivery Point by the Delivery Means;

"Delivery Date" means the date for delivery specified in the Order or, if not so specified, the last day of the applicable lead time period;

"Delivery Means" means instructions for delivery specified in the Order;

"Delivery Point" means the unloading point specified in the Order;

"Goods" are specified in the Order, or if not so specified means the goods referred to in the Order or any goods that may be supplied in the course of performing the Services;

"Company" means Moly-Cop Canada, a Partnership;

"Order" means these terms and conditions and the purchase order to which these terms and conditions are attached or referred to in, together with any scope of services;

"Purchase Price" means the amount specified in or calculated in accordance with the Order;

"Scope of Services" means the scope attached to or referred to in the Order;

"Services" as specified in the Order, or if not so specified means the services referred to in the Order;

"Services Location" means the location for performance of the Services;

"Supplier" means the supplier of the Goods and/or provider of the Services; and

"Warranties" means the warranties provided by the Supplier to the Company under these terms and conditions together with any warranties implied by law.