

These GENERAL CONDITIONS OF SALE, also referred to as TERMS and CONDITIONS or CONTRACT, as defined herein below, are to be attached to and be interpreted in conjunction with a proposal or quotation delivered by NITREX.

For the purpose of this agreement, Nitrex Metal Inc. and its affiliates, subsidiaries, related corporations and partners hereinafter are referred to as NITREX.

1. ACCEPTANCE. The GENERAL CONDITIONS OF SALE set forth herein apply to any order accepted and acknowledged by NITREX. Buyer's purchase order based on or referring to NITREX's proposal, quotation, and/or delivery of all or any part of the goods covered hereunder constitutes acceptance of the terms and conditions of sale contained herein. Any additional or different terms or conditions shall not be binding unless and to the extent they are expressly agreed to by NITREX in writing, and if accepted they should prevail over the terms stated herein. In the absence of such specific agreement or contract for sale, these GENERAL CONDITIONS OF SALE shall be construed to be a legal contract, and they may be further referred to as the CONTRACT.

Any representations, promises, warranties, or statements by NITREX or its agents that differ in any way from these TERMS and CONDITIONS shall be given no force or effect. No contract is final until accepted in writing by NITREX. NITREX's quotations are without obligation unless expressly stated.

2. DOCUMENTS. Data contained in catalogs, brochures, quotations or contract documents such as illustrations, drawings, dimensions, weights, consumption and performance figures, and any other data are approximate and shall not be binding unless expressly agreed to in writing. NITREX reserves the right to alter the design, and where there is a shortage of the originally selected material to use other materials without deterioration in the product quality.

NITREX reserves the right of ownership and copyright regarding estimates, drawings and any other NITREX documents that may be provided to, or otherwise come into, Buyer's possession in the course of presentations, discussions, and negotiations with NITREX employees or representatives. Buyer may not use such documents for any purpose for which they are not intended, or copy, reproduce, modify, decompile or make them available to a third party. Any such documents remain NITREX's sole and exclusive property and are to be returned to NITREX immediately upon request. NITREX is not obliged to provide manufacturing drawings pertaining to its products or spare parts.

3. LICENSE AGREEMENT. Equipment supplied under the herein TERMS AND CONDITIONS may be delivered with hardware, software or other intellectual property pertaining to one or



more surface treatment technologies. The provision of any such technologies shall be governed by a separate License Agreement between Buyer and NITREX.

4. PRICES. Prices quoted orally expire the same day they are made unless accepted in writing on that day or confirmed by written communication by NITREX. Written price quotations are guaranteed for ninety (90) days from the date issued but may be terminated by written notice within that period, due, including, without limitation, to factors such as fluctuation of raw material and component prices. Nitrex Metal Inc. reserves the right to change the quoted prices during the validity of the quote upon written notice to the Buyer.

All prices are ex works NITREX plant, unless otherwise stipulated in writing by NITREX in a separate proposal, quotation, agreement or contract for sale, and are exclusive of all transportation costs, insurance, local taxes, levies, and duties that may be assessed in connection with the sale or delivery of the goods or services, and Buyer shall be responsible for all such costs. In the event that NITREX pays any such costs, Buyer shall promptly reimburse NITREX thereof, and, in no event, later than 5 days from NITREX's request for such reimbursement. In addition to the quoted prices and the costs defined herein, Buyer shall pay the cost of any bonds, guarantees, insurance, or any other products or services, which Buyer requires NITREX to obtain in relation to the work or delivery subject of the contract.

5. CHANGE ORDERS. NITREX shall not be obliged to make any changes in or additions to the scope of work which are initiated by Buyer or result from circumstances beyond NITREX's control unless there is an equitable adjustment in price, delivery date, and all other applicable conditions. Such changes shall be valid only if so, expressly agreed between NITREX and Buyer in writing. If, as a result of a change order requested by the Buyer and accepted by Nitrex in writing, the transfer of property rights is delayed, Nitrex shall be entitled to all payments due as the transfer has not been delayed on account of Nitrex.

6. TERMS OF PAYMENT. Payments terms are 30 days from the invoice date or as agreed upon with the customer and specified in the quotation contract, or any valid written amendment thereof, whether or not invoiced by NITREX. Payments shall be made exclusively to NITREX's account, on or before the due date, without any deduction for fees, expenses, or any other charges.

All payments made after the due date will be assessed a late payment charge which is the lesser of (i) one and a half per cent (1.5 %) per month, or (ii) the maximum amount allowed by applicable law per month. Buyer shall be responsible for all costs of collection, including foreign exchange losses and legal fees.



In case of late payment(s), NITREX may, at its discretion, suspend its performance until the full amount of due payments are received. NITREX has the right to terminate the CONTRACT and request the payment of the incurred interest and NITREX' recovery costs if the amounts due are three months overdue or more.

If NITREX has reasonable grounds to question Buyer's ability or willingness to make timely payments for the goods and services, NITREX may at any time suspend performance, decline to ship, or require advance payment in cash or other adequate assurance satisfactory to NITREX.

Buyer shall not withhold any payments under the contract or set off any payments against any amounts presumed owed by NITREX.

7. FACTORY ACCEPTANCE TESTS. If the CONTRACT does not stipulate any pre-acceptance tests, they will be carried out before the shipment, at NITREX location in accordance with NITREX internal standards.

Should the pre-acceptance tests be required, NITREX will carry them out as stipulated in the CONTRACT. NITREX will inform the Buyer in writing as to when the pre-acceptance tests will take place with sufficient notice so as to permit the Buyer to be represented at the tests. If the Buyer does not respond within 7 days after the notification or chooses not to be present, the test will be carried out and the test reports will be provided to the Buyer. The test report shall be accepted as accurate, and the equipment shall be deemed to be pre-accepted and ready for shipment.

8. PROPERTY RIGHT. Subject to the other terms and conditions hereof, title or ownership of the product shall pass to the Buyer, upon delivery thereof to Buyer's carrier. Notwithstanding the foregoing, until the purchase price, and any applicable interest and fees thereon as set out in these TERMS AND CONDITIONS, is paid in full: (i) as security for the full payment of the purchase price of the product and services, the Buyer hereby grants to NITREX, and NITREX hereby reserves, a purchase money security interest and charge/lien in the products and in all substitutions, replacements and additions thereto and the proceeds thereof, and (ii) the Buyer shall: (a) insure the products against loss, damage or destruction for full replacement value; and (b) execute such additional documents as NITREX requests for the confirmation or perfection of NITREX' security interest and charge. Upon default by the Buyer, and subject to applicable law, NITREX may repossess and deal with the products as it sees fit and retain all payments which have been made by the Buyer on account of the purchase price as partial damages. Upon any such realization of security, the Buyer shall remain liable for any deficiency in the purchase price and shall reimburse NITREX for all costs and expenses, including reasonable legal fees, incurred in enforcing its rights. All rights and



remedies of NITREX are cumulative and in addition to those available at law or in equity. In addition, until Buyer pays the full purchase price hereunder, Buyer shall have no right to pledge, pawn, mortgage, or use the goods as security or otherwise resell, transfer or dispose of said goods. In the event that delivered goods for which Buyer has not yet paid the full purchase price are seized or otherwise claimed by a third party, Buyer shall immediately report such event to NITREX.

9. SHIPMENT AND DELIVERY. Ex works deliveries of the products is deemed complete upon release of the product to the Buyer's carrier. NITREX will make all reasonable efforts to meet all shipment, delivery and start-up dates stipulated in the quotation, contract, or acknowledged Buyer's purchase order, as the case may be, but any such dates are estimates and are not guaranteed. NITREX shall have no liability to Buyer for damages or penalties, direct or indirect, for any delay in shipment, delivery or start-up, whether such delay is minor or substantial, nor shall Buyer have the right to declare a breach of contract because of any such delay. In any event, delivery schedules are based upon the effective date of the confirmation of the order and are subject to timely receipt by NITREX of all scheduled payments, information and instructions from Buyer, including any required approval of drawings.

NITREX shall have the right to make partial shipments. NITREX will attempt to ship in accordance with Buyer's instructions, if such are given, but NITREX will make the final selection of a carrier and a method of shipment unless Buyer clearly and expressly instructs to the contrary. NITREX is not responsible for damage or loss in transit, and all such claims must be made by Buyer directly against the carrier.

The goods are deemed to have been delivered on time when declared by NITREX ready for dispatch or if handed over to the first carrier as scheduled, taking account of normal transportation time and the expiration of delivery period agreed upon. If delivery is delayed due to unforeseen or extraordinary events which are beyond NITREX's control, directly or indirectly, such as fires, floods, earthquakes, accidents, riots, strikes, breakdown of equipment, sabotage, embargoes, delay in obtaining important raw material or equipment from suppliers, the delivery period shall be reasonably extended.

10. CLAIMS OF NON-CONFORMANCE. Buyer shall give written notice of rejection of any shipment or portion thereof within five (5) days after receipt of shipped goods specifying the reasons thereof and providing supporting evidence. Failure to give such notice shall be deemed a waiver of any right of rejection and any claim with respect thereto, except as to the claims under warranty provisions, and shall be deemed an acceptance of such equipment. Buyer shall set aside, and hold rejected goods without further processing until NITREX has an opportunity to inspect and advise of the disposition, if any, to be made of



such goods. In no event shall any goods be returned, reworked, or scrapped by Buyer without the express written authorization of NITREX.

11. CANCELLATION, SUSPENSION OR DELAY. In the event that Buyer requests or causes a cancellation, suspension or delay in any of NITREX's work under the CONTRACT, Buyer shall indemnify and pay to NITREX all appropriate charges, including but not limited to any costs, storage fees, expenses, and commitments incurred by NITREX up to the date of receipt of notice of such cancellation, suspension or delay plus NITREX's overhead and reasonable profit. If the goods are stored at NITREX's premises storage fees of one per cent (1%) of the price of the goods per month, counting from the date of readiness for dispatch shall be charged. All such charges will be calculated by NITREX, and NITREX will determine whether any payment in addition to any down payment or progress payments already received is required of Buyer. If so, NITREX will invoice Buyer as applicable. If shipment is delayed on account of Buyer, the purchase price shall be due and payable as if delivery had been made.

If the CONTRACT is delayed by the Buyer and the Buyer fails to remedy its default within 10 days of a notification of default by NITREX, NITREX has the right to terminate the CONTRACT in whole or in part. In such case NITREX is entitled to compensation for the loss it suffers including consequential and indirect loss. The compensation shall not exceed the CONTRACT price or the part thereof attributable to work performed.

Notwithstanding other provisions in these TERMS and CONDITIONS regarding suspension, each party shall be entitled to suspend the performance of its obligations under the CONTRACT where it is reasonably clear from the circumstances that the other party is not going to perform its obligations. A party suspending its performance of the CONTRACT shall forthwith notify the other party thereof in writing.

12. INSTALLATION AND START-UP. Buyer shall at its own expense unload all equipment delivered by NITREX upon delivery by the carrier, and store the goods near the installation site, and deliver the goods to the site when NITREX is ready to commence the start-up. Buyer shall protect the goods, while in storage or generally in Buyer's custody, from any loss or damage, and Buyer shall notify NITREX of any shortage or breakdown as soon as discovered.

Buyer has full responsibility for its facilities and any modifications or additions thereof, required to accommodate the installation of NITREX supplied equipment. To that end Buyer shall cooperate with NITREX to the fullest extent possible with regard to exchange of technical information relating to the installation. Unless specified and expressly agreed between the parties, Buyer shall have responsibility for handling the equipment on its premises, locating and/or lowering it into a pit, connecting the individual pieces of equipment in accordance with NITREX's instructions, and providing all required services to



the equipment, such as supply and evacuation of gases, liquids, electric power, ventilation, air, and others, as applicable.

NITREX is not responsible for obtaining or incurring any cost related to any local permits which may be required from the Buyer to prepare the site and install the equipment supplied by NITREX. BUYER shall obtain at its expense all licenses, permits and approvals for the purchase, delivery, shipment, installation and use of the products.

NITREX personnel should be able to carry out the start-up work in accordance with the agreed upon time schedule and work during regular working hours. Start-up may be performed outside of regular working hours providing the written notice is given within a reasonable time by any party. Buyer shall: (a) indemnify and hold NITREX and its respective representatives, employees, agents, customers, invitees, subsidiaries, affiliates, successors and assigns, harmless from and against all liabilities, demands, claims, losses, costs, damages and expenses of any kind or nature (including legal and other professional fees) by reason or on account of property damage, death and/or personal injury, arising from or as a result of NITREX' performance of its obligations under this Contract, which is or are occasioned by Buyer's and/or its representatives' actions, omissions or negligence; and (b) ensure that Buyer and its representatives comply with all requirements of any workers' compensation legislation of the jurisdictions in which Buyer's premises is located.

During the start-up Buyer shall provide free of charge any construction, electrical, plumbing, and other services required for installation and start-up of the equipment. Furthermore, Buyer shall provide sufficient office space equipped with telephone and Internet access, unobstructed access to the site, a suitable and properly functioning crane with a qualified operator and power, whenever needed. While NITREX's employee(s), representative(s) or subcontractor(s) are on site to carry out the installation or start-up, Buyer shall, without cost to NITREX, provide safe and sanitary working conditions to such personnel.

Under special circumstances, as described but not limited to paragraph 17. FORCE MAJEURE, NITREX reserves the rights to remotely perform the start-up. In such instances, NITREX will provide a detailed guideline, written instructions, illustrations and drawings for the customer to follow and be able to carry out the start-up without the presence of NITREX personnel, but with NITREX remote involvement and guidance.

Buyer shall indemnify, defend and hold NITREX harmless, without any limitation, from and against any loss, liability, expense or damage resulting from or arising out of conditions beyond NITREX's control which hinder, delay or otherwise result in loss or additional expense to NITREX in installing and starting-up the equipment.



If the start-up is delayed by the Buyer due to the cause not attributable to NITREX, the Buyer shall compensate NITREX for any additional cost including but not limited to waiting time, extra travel time and cost, extra cost of work or parts.

13. FINAL ACCEPTANCE. Installation must begin no later than the later of (i) 60 days after the Bill of Lading date or (ii) 30 days after delivery. Should the installation be delayed beyond the above specified time, the equipment is deemed to be installed and accepted with all subsequent payments due as the start-up had occurred and was successfully completed.

The equipment is considered successfully installed and accepted by the Buyer when the start-up has been completed with all required tests having been carried out. If the Buyer fails to fulfill its obligation or otherwise delays or prevents NITREX from carrying out the final tests, the tests shall be regarded as having been satisfactorily completed and equipment accepted at the date NITREX notifies the Buyer of the readiness to carry out the tests.

The equipment is considered successfully installed and accepted when the final tests are not required, or the parties agree in writing not to carry them out. Minor deficiencies which do not affect the efficiency of the equipment shall not prevent acceptance of the equipment by the Buyer.

The Buyer is not entitled to use the equipment or any part of thereof before the equipment is accepted and the final acceptance certificate is signed. If the Buyer does so without NITREX' consent, the equipment shall be deemed to have been accepted on the date of NITREX' written notice provided to the Buyer.

14. WARRANTY. NITREX warrants that all equipment supplied under the CONTRACT will be free from defects in material and workmanship for a period of fifteen (15) months from date of shipment or twelve (12) months from date of start-up completion and the acceptance certificate signed, whichever comes first, such period of time being further referred to as the warranty period. Should the start-up not be required, the warranty period starts at the date of equipment is delivered and should last for the period agreed upon in the CONTRACT.

Buyer shall notify NITREX upon failure of equipment or discovery of a defect. NITREX undertakes to repair or replace, at its discretion, free of charge all those parts which have proven to NITREX's satisfaction to have become defective within the warranty period. Such repaired or replaced parts shall be covered under this warranty for one hundred and twenty (120) days from the time of repair or replacement or until this warranty expires, whichever comes later. Replaced parts shall become the property of NITREX. NITREX will assume no responsibility under the terms of this warranty on goods or services which have not been paid for in accordance with the CONTRACT.



Upon notifying NITREX of a need for warranty service, and subject to mutual agreement, Buyer shall grant to NITREX reasonable time and opportunity to proceed with repairs. If Buyer fails to do so NITREX shall be relieved of any warranty obligations or liability. If it is mutually agreed that Buyer may make repairs or replacement of parts during the warranty period, Buyer shall carry out such work in strict accordance with NITREX's instructions. Such work and parts shall continue to be covered under this warranty unless it can be reasonably demonstrated that Buyer has not adhered to the instructions supplied by NITREX.

NITREX is exempt from any responsibility whatsoever for faults, malfunctions, damages, liability, or any other losses arising from improper, careless or faulty treatment, faulty installation or operation by Buyer, its employees and consultants, or third parties, normal and natural wear and tear, incorrect or careless handling, improper maintenance, subjection to loads higher than prescribed, use of unsuitable materials, change of materials, faulty construction work, unsuitable site, or environmental damage. Furthermore, this warranty may be revoked by NITREX if any equipment has been operated differently than prescribed, disassembled, repaired or otherwise altered by any person without the written authorization of NITREX, or if the equipment has been damaged after being installed on site by any event or action outside of NITREX's control. The NITREX warranty does not cover parts which are considered expendable due to their nature and intended use, such as but not limited to thermal insulators, circuit breakers, light bulbs, c-clamps, o-ring type seals, etc.

15. LIMITATION OF LIABILITY. NITREX's responsibility with respect to the goods and services and NITREX's obligations related thereto shall in no event exceed the purchase price of the goods and services billed and collected by the time of any claim. NITREX shall not be liable to Buyer for any special, consequential, incidental, indirect, or punitive damages for any reason whatsoever, including, without limitation: (a) loss of profits, loss of business, revenues, or anticipated savings resulting from the failure of the equipment to meet specifications or warranties, (b) damages suffered by Buyer as a result of loss of production facilities or equipment, (c) cost of replacement equipment, (d) damages suffered by Buyer's customers, and (e) any fines or penalties assessed for failure to comply with any law or government regulation.

Buyer shall defend, indemnify and hold harmless NITREX, its officers, directors, agents, employees, successors, and assigns from and against any and all losses, liabilities and expenses (including all legal fees) or judgments arising from or in connection with any claim made or action brought as a result of the use, storage, sale, processing, or other disposition of the products sold to Buyer hereunder, or the action or inaction of Buyer or, if applicable, its employees, customers, or agents, which may cause injuries or damage giving rise to claims against NITREX,.



16. BUYER SUPPLIED DATA. Buyer acknowledges that NITREX has relied upon all specifications and other data supplied by Buyer to NITREX in the selection and design of the equipment and the preparation of this quotation and/or proposal. In the event that the site operating conditions differ from those represented by Buyer, any warranties or performance guarantees contained herein affected by such change in conditions shall be null and void, unless otherwise mutually agreed upon in writing.

17. FORCE MAJEURE. Either party shall be entitled to suspend performance of its obligations under the CONTRACT to the extent that such performance is impeded or made unreasonably onerous by Force Majeure, meaning any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties, such as fire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power currency and export restrictions, epidemics, natural disasters, extreme natural events, terrorist acts and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this article.

The above circumstances, whether occurring prior to or after the formation of the Contract, shall give a right to suspension only if its effect on the performance of the CONTRACT could not reasonably be foreseen at the time of the formation of the CONTRACT.

The party claiming to be affected by Force Majeure shall notify the other party in writing without delay following the commencement of such Force Majeure event. If a party fails to give such notice, the other party shall be entitled to compensation for any additional costs which it incurs and which it could have avoided had it received such notice.

Notwithstanding anything else herein, either party shall be entitled to terminate the CONTRACT by notice in writing to the other party if performance of the CONTRACT is suspended due to Force Majeure which continues for a period of more than six months.

18. APPLICABLE LAW. Any dispute, controversy, or claim against NITREX with respect to the goods or services related hereto must be commenced within one year from the date of delivery. All contracts between Buyer and NITREX shall be governed by and construed in accordance with NITREX and its affiliates, subsidiaries or partners local laws, without regards to conflict of laws principles. Each party hereby irrevocably consents and attorns to jurisdiction, venue and service of process in such locale. TO THE EXTENT APPLICABLE IN THE NITREX ENTITIES' LOCAL LAW, THE PARTIES HEREBY WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT. NITREX reserves the right to make claims against Buyer before the court having jurisdiction over Buyer's place of business and in accordance with the local laws.



19. ENTIRE AGREEMENT. Unless specifically and expressly agreed to in writing by Buyer and NITREX, these terms and conditions, together with the provisions of the proposal or quotation and its appendixes, constitute the entire agreement, also referred to herein as contract between the parties, pertaining to the goods and services, and they supersede any prior or contemporaneous agreements, representations, or understandings between the parties. No waiver or modification of these terms and conditions is binding unless such waiver or modification is set out in writing and signed by an authorized officer of NITREX. NITREX's waiver or failure to enforce any of the rights or provisions of the contract does not constitute a waiver of that or any their right or provision at any other time.

20. ASSIGNMENT. Buyer may not assign all or any part of this Contract without the prior written consent of NITREX. Any attempt at assignment shall be null and void unless made in conformity with this Section 20.

21. OTHER TERMS. NITREX cannot do business with countries which are engaged in behavior, activities, and practices that run contrary to values that are important to NITREX, its affiliates, subsidiaries, related corporations and partners. Sanctions may be imposed on specific countries, organizations, or individuals and can encompass a variety of measures, including restricting or prohibiting trade, financial transactions or other economic activities. Export and import restrictions can be imposed under the United Nations Act or a special economic measure act of a local government of any of NITREX affiliates, subsidiaries, related corporations and partners.

NITREX will monitor and comply with such restrictions and make it known to the Buyer. The Buyer is forbidden to transfer or in any way dispose of any of NITREX supplied products to such counties, organizations or individuals.

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