STANDARD CONDITIONS OF PURCHASE

1.0 DEFINITIONS

1.1 ***Purchaser***: Forrestania Resources Limited, ABN 41 647 899 698

1.2 ***Supplier:*** The party to whom the Purchase Order is addressed

1.3 ***Sub-Suppliers***: Suppliers or subcontractors of materials, equipment and services to Supplier in connection with the Goods to be supplied hereunder.

1.4 ***Purchase Order:*** The Purchase Order and all documents including these Standard Conditions of Purchase incorporated by reference therein.

1.5 ***Goods:*** The machinery, plant equipment, apparatus, materials or services of all kinds to be supplied in accordance with the Purchase Order.

1.6 ***Purchase Price:*** The price of all Goods to be supplied in accordance with the Purchase Order which shall include all costs and charges to the Delivery Point but shall exclude (unless otherwise stated) any taxes or duties.

1.7 ***Delivery Date:*** The date stipulated in the Purchase Order for the delivery of Goods in accordance with the terms and conditions of the Purchase Order.

1.8 ***Delivery Point:*** The place stipulated in the Purchase Order for delivery of the Goods (the legal point of sale).

2.0 CONTRACT

The Purchase Order shall form the entire agreement between Purchaser and Supplier and supersedes all previous communications and negotiations. No terms stated by the Supplier in accepting or acknowledging the Purchase Order or in the performance of the Purchase Order or the invoicing of the Goods shall be binding upon the Purchaser unless accepted in writing by the Purchaser.

3.0 LAW APPLICABLE

3.1 Purchaser and Supplier accept and agree to submit to the exclusive jurisdiction of the courts of the State of Western Australia as the proper law of the Contract.
The Supplier shall conform with the provisions of all laws (federal, state or municipal) in any way affecting or applicable to the execution of the Purchase Order and shall obtain all permits, licences and give all notice required to be given and shall pay all fees, deposits and taxes in connection therewith.

4.0 INFRINGEMENTS

4.1 The Supplier warrants that the sale or use of the Goods will not infringe or contribute to the infringement of any patents, trademarks or copyrights in any or all countries.
The Supplier shall indemnify the Purchaser against any loss or damage (including legal fees and other costs of defending an action) arising from breach of this warranty.

5.0 ASSIGNMENTS

5.1 The Supplier accepts that no part of this Purchase Order or liabilities thereunder or benefit derived therefrom shall be subcontracted, ceded or assigned to third parties without the prior written consent of the Purchaser (which may be withheld) and then only under such conditions as the Purchaser may impose.

5.2 The Purchaser may, at its sole discretion, assign and/or novate the Purchase Order to an associated corporate entity at any time without requiring the approval of the Supplier.

6.0 CONFIDENTIAL INFORMATION

6.1 Supplier shall keep secret and confidential (except to Sub-suppliers accepting a like obligation of secrecy and confidentiality, and then only to the extent necessary for the performance of the Purchase Order) all information furnished by or on behalf of the Purchaser in connection with the Purchase Order. Information furnished by the Supplier to the Purchaser and/or Engineer will be treated by the Purchaser and/or Engineer with the same obligation.

7.0 INSURANCE

7.1 Unless otherwise specified in the Purchase Order, the Supplier shall insure all Goods to their full insurable value to the Delivery Point and keep them insured against all insurable risks until the Goods are received and accepted by the Purchaser at the Delivery Point.

8.0 WARRANTY

8.1 The Supplier warrants that the Goods supplied under this Purchase Order shall be new, fit for the purpose intended and of merchantable quality and shall warrant all Goods supplied against faulty design, workmanship and materials and be free from defects for a period of twelve (12) months after delivery of the Goods to the Purchaser's nominated Delivery Point.

9.0 PACKING, MARKING AND SHIPPING

9.1 The Goods shall be suitably packed, protected, marked and shipped as specified in the Purchase Order.

9.2 Hazardous materials must be packaged, documented and marked in compliance with all applicable regulations.

10.0 DELIVERY

10.1 All charges for packing including packing materials and labour shall be included in the Purchase Price and all packing materials shall become the property of the Purchaser.

10.2 The risk in the Goods lies with the Supplier until the Goods are properly delivered to the Purchaser at the nominated Delivery Point.

10.3 The Supplier warrants that it has and will deliver to the Purchaser, full and clear title to all Goods furnished by the Supplier in performance of the Purchase Order.

10.4 The property in any Goods supplied by the Supplier shall pass to the Purchaser upon full payment therefor by or on behalf of the Purchaser.

11.0 PAYMENT TERMS

11.1 Payment shall be made in full after all the requirements of the Purchase Order have been completed to Purchaser's satisfaction and Purchaser will pay Supplier within the prescribed time from receipt of Supplier's original invoice.

11.2 Payment may be delayed in the event of late receipt of invoices or for invoices submitted with errors and/or omissions or where the Supplier submits an invoice which exceeds the total Purchase Order. Such delays shall not jeopardise any other rights the Purchaser may be entitled to under the contract.

12.0 TAXES

12.1 All prices and unit rates in the Purchase Order and any subsequent variations thereto shall not include any Value Added Tax (VAT), Goods and Services Tax (GST) or Withholding Tax (WHT) or any other tax.