

1. The Contract

Except where there is a written contract to the contrary, all Goods and Services purchased by, or performed for, KGL Resources, is solely and exclusively purchased or performed in accordance with these Terms and Conditions. By commencing any part of the supply of the Goods or performance of Services, the Seller is deemed to have read and agreed to these Terms and Conditions. This contract is constituted by these Terms and Conditions, the Purchase Order, attached or dispatched separately, and any other terms and conditions relating to contract agreed in writing by each party. Any Seller terms and conditions, or those of any trade association or professional body that the Seller is a member of, are expressly excluded. The *Sale of Goods (Vienna Convention) Act 1986 (Qld)*, any like legislation in any jurisdiction, and the United Nations Convention on Contracts for the International Sale of Goods (Vienna Convention or CISG) does not apply to Goods supplied under this contract. Any notice, process or proceeding may be served by delivering the notice, process or proceeding by mail, facsimile or email to each other party's address details stated in the Purchase Order.

2. Definitions

In these Terms and Conditions:

Date for Completion/Delivery means the date stated in the Purchase Order for completion of the Services, or delivery of the Goods, or other date directed by KGL Resources.

Date of Completion/Delivery means a date certified by KGL Resources to be the date on which the delivery of Goods and/or provision of Services reach completion.

Goods means the goods specified in or implied by the Purchase Order (including any parts of the goods specified). Goods also include any goods used during the performance of any Services.

GST/VAT/ST means goods and services tax, value added tax or sales tax applicable under legislative requirements or any other consumption tax imposed on a value added basis.

KGL Resources means KGL Resources Ltd or the party named in the Purchase Order, or any of their related bodies corporate, and their successors or assigns.

Purchase Order means the purchase order form to which these Terms and Conditions apply.

Seller means the person, firm or company to whom the Purchase Order is issued and who will supply the Goods or perform the Services, and its successors or permitted assigns.

Services means the services to be performed as specified in or implied by the Purchase Order (including any part of the specified services and the results of the services).

Terms and Conditions means these terms and conditions, available on KGL Resources's website: www.kglresources.com.au, as posted at the date of the Purchase Order

3. Quality and Description of Goods

The Goods must match the description in the Purchase Order. The Goods must comply with any relevant laws, applicable standards and any other standard specified in the Purchase Order. The Goods must be new, of merchantable quality, fit for purpose and free from any defects.

4. Quality of Services

The Services must comply with any relevant laws, applicable standards and any other standard specified in the Purchase Order. The Services must comply with the requirements for the Services in the Purchase Order including any scope of work, drawings or specifications. The Services must be carried out with due care, skill and diligence, in accordance with this contract and in accordance with generally recognised standards of good professional practice applicable to the Services, by representatives who are skilled, competent, experienced and properly qualified in their respective trades or professions.

5. Time and Place of Performance

The Seller must supply the Goods or perform the Services at the address nominated in the Purchase Order, by the Date for Completion/Delivery. Any Date for Delivery/Completion is of the essence, if the Seller does not deliver the Goods or complete the Services by the Date for Delivery/Completion, KGL Resources may terminate this contract.

6. Packing and Delivery

The Seller must ensure that the Goods are packaged properly and labelled in accordance with the requirements of the contract and any applicable laws relating the packaging and labelling of the Goods. At the time of delivery of Goods the Seller must provide KGL Resources with a delivery docket or packing slip (or other similar shipping documentation) and obtain signature of an authorised KGL Resources employee as confirmation of delivery.

7. Acceptance

KGL Resources will not be deemed to have accepted any Goods or Services until it has had a reasonable time to inspect the Goods or Services after delivery and to inspect and test the results of any Services after performance. Payment for the Goods and any Services or the signing of delivery documents before inspection does not constitute acceptance of the Goods or Services.

KGL Resources will only pay for the quantity of Goods or Services accepted by KGL Resources. Any goods which are rejected by KGL Resources will be available for collection by the Seller at the place of rejection or returned by KGL Resources to the Seller at the Seller's risk and expense. The Seller must correct, amend, replace or complete, at its own cost, any Goods or Services that contain errors or are defective, incorrect, incomplete, omitted, lost or damaged or otherwise not conforming with the contract.

8. Title and Risk

Title passes to KGL Resources upon the earlier of delivery of the Goods to KGL Resources or its representative, agent or carrier, or any payment for the Goods or Services. Risk in the Goods does not pass to KGL Resources until KGL Resources has inspected and accepted the Goods or where the Goods remain in the Seller's care, custody or control while performing the Services, completion of the Services. The Seller waives any right of disposal, retention or resale in the Goods and warrants that full, clear and unrestricted title will be given to KGL Resources in all Goods and Services supplied or performed by the Seller, free and clear of any liens, charges and encumbrances.

9. Price

In consideration of the supply of the Goods and the performance of Services in accordance with the contract, KGL Resources will pay the Seller the price. The price of the Goods or Services is

inclusive of all costs of production and supply to the point of delivery and performance by the Seller of all obligations under this contract, including any fees, levies, taxes and duties. The Seller's rates and prices remain fixed and firm for the duration of the contract and are not subject to rise and fall, foreign exchange variations or changes in laws or taxes.

10. GST/VAT/ST

If a taxable supply is made, the Seller must give KGL Resources a valid tax invoice to enable KGL Resources to claim all relevant GST/VAT/ST Input Tax Credits. Unless stated to be GST/VAT/ST exclusive, all amounts expressed in the Purchase Order are inclusive of GST/VAT/ST.

11. Invoicing, Payment, Set Off

The Seller may provide payment claims for the price of Goods only upon delivery to, and acceptance by, KGL Resources. The Seller may provide payment claims for Services only once per month on or before the last day of each month. A condition precedent to payment of the price is receipt by KGL Resources of a valid tax invoice from the Seller including the correct Purchase Order number and the invoiced amount calculated correctly and due for payment. All payments made by KGL Resources before the final payment under this contract are "on account" only and may be adjusted in any future payment certificate or by any future payment. Without limiting KGL Resources's rights under the contract or at law, KGL Resources may withhold, deduct or set off from payments due to the Seller any amounts due from the Seller to KGL Resources or any claim for damages, indemnification or backcharges. KGL Resources may issue to the Seller a payment certificate stating the payment to be made by KGL Resources to the Seller or by the Seller to KGL Resources. On or before 30 days after the end of the month in which KGL Resources receives a valid tax invoice, KGL Resources must pay to the Seller, or the Seller must pay to KGL Resources, the amount calculated by KGL Resources to be due to the Seller or due to KGL Resources. Where KGL Resources is to pay for Services based on equipment utilisation, labour rates or other unit rates or reimbursable basis, the Seller must keep records of personnel, items of equipment used and costs incurred in carrying out the Services, and deliver all such records to KGL Resources with payment claims or upon request.

12. Variations

KGL Resources may direct variations to the supply of the Goods or performance of any Services, including commencement, duration or scheduling, by variation order. The Seller agrees to supply the Goods or perform any Services as varied by the variation order. The Seller will not be paid or reimbursed for varied Goods or Services carried out without an approved variation order.

13. Insurance

The Seller must maintain all insurance policies that a reasonably prudent Seller would maintain, including public liability insurance, product liability insurance where the Seller is a manufacturer or supplier of the Goods, and professional indemnity insurance where the Seller is a provider of professional services. The Seller will insure all Goods for their full value plus any freight and insurance until risk in the Goods passes to KGL Resources. The Seller must provide to KGL Resources upon request evidence of insurance policies held by the Seller.

14. Intellectual Property

No rights or ownership to KGL Resources's intellectual property is assigned or licensed by this contract. The Seller grants to KGL

Resources, without additional compensation, a non-exclusive, irrevocable, unrestricted, perpetual, worldwide, royalty free licence to KGL Resources to use the Goods and Services, and warrants that KGL Resources's use of the Goods and the Services will not infringe any rights in any intellectual property.

Upon its creation, all intellectual property produced as part of the Services or the supply of Goods is assigned to, and will be owned by, KGL Resources. The Seller agrees to delivery such intellectual property with the Good or Services or otherwise upon KGL Resources's written demand.

15. Confidentiality

A party must not, without the prior written approval of each other party, disclose the other party's confidential information except where disclosure is required by law including under an applicable stock exchange listing rule or a direction of a taxation authority.

16. Assignment and Subcontracts

The Seller agrees not to subcontract any substantial part of the supply of the Goods or Services without prior written approval from KGL Resources. The Seller will be liable to KGL Resources for the acts and omissions of any subcontractors. The Seller must not assign, transfer or novate all or any part of its rights or obligations under or relating to this contract to another party. KGL Resources may at any time and in its absolute discretion, without the prior approval of the Seller, assign, novate, mortgage, charge or encumber this contract or any right, obligation, benefit, moneys or interest under it.

17. Indemnity

The Seller indemnifies KGL Resources against all losses, damage or liability arising in connection with: (a) claims by third parties of infringement of intellectual property; (b) competing claims to title in the Goods or Services; (c) loss or damage to the property of KGL Resources, including the Goods; (d) claims by any person in respect of personal injury, illness or death, or loss of or damage to any property; (e) claims by government authorities for breach of laws; or (f) liability for taxes, duties, fines or penalties.

18. Termination

KGL Resources may, in its absolute discretion and at any time, terminate the contract for its convenience, or for default by the Seller of any term or condition, or for the Seller's insolvency, liquidation or bankruptcy. Where KGL Resources terminates the contract for its convenience, the Seller waives any claim for damages or lost profits and KGL Resources will pay the Seller reasonable costs in effecting the termination less amounts previously paid.

19. Governing Law and Disputes

This contract is governed by the laws of the State or Territory in Australia from which the Goods or Services are ordered. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that State or Territory and the courts of appeal from them, except where the Seller is not incorporated in or an ordinary resident or domiciled in Australia, where each party must refer any dispute to international commercial arbitration under the UNCITRAL Arbitration Rules administered by the Institute of Arbitrators and Mediators Australia (Queensland Chapter). Where any dispute is referred to arbitration, there must be only one arbitrator agreed by each party on or before 14 days after the date a party provides notice referring any dispute to arbitration, or where not agreed within that time, appointed in accordance with the rules. The arbitration must be conducted in English. The place of arbitration is to be Brisbane.

Nothing in this clause will prevent or limit the right of a party to institute legal proceedings to enforce any arbitration award or to seek declaratory or urgent injunctive relief in respect of any matter arising under this contract.