



TERMS AND CONDITIONS OF SALE

In these conditions the "Company" means L&K Mining Ltd and any subsidiary of the Company by which the goods are sold and "goods" means the subject matter of the Contract including (but not limited to) raw materials, finished or semi-finished materials, machinery, parts, spares, articles, services or repairs. The "Customer" means the person, firm or Company from whom the order is received.

GENERAL

The Company's quotations are not binding on the Company and a Contract (the "Contract") will only come into being upon acceptance by the Company of the Customer's order and the following conditions shall be deemed to be incorporated therein. The Contract will be subject to these conditions. These Terms and Conditions apply to the exclusion of all others and cannot be varied or overridden by any other Terms and Conditions appearing or referred to in the Customer's order without the specific consent of a Director of the Company.

Where goods are supplied from stock, such supply is subject to availability of stocks at the date of delivery. Tenders submitted by the Company shall remain open for acceptance for a period of 30 days from the date of the tender, unless stated otherwise, or the tender is withdrawn by the Company.

PRICES

All goods are sold "ex-works" unless otherwise stated.

Quotations requested for repair work will only be given after examination either in our workshop or by one of our engineers and we reserve the right to make a charge for this examination.

A minimum order charge of £50 is in operation.

Travelling time, transport costs and expenses will be charged in respect of all work carried out at the customer's premises or site. (Details available on request).

TERMS OF PAYMENT

Prices quoted are in Sterling and are net of VAT and carriage, unless otherwise stated. Where a credit account is granted to the Customer, all payments are due 30 days from the date of the invoice unless agreed in writing, otherwise, goods are sold on a strictly cash sale basis. No discounts are allowable. The Company reserves the right to charge interest under the Late Payment of Commercial Debts (Interest) Act 1998, at the rate of 8% above the Base Rate of the Bank of England from the due date of the payment until payment is made.

Failure to pay any invoice in accordance with these terms or any other terms specified in the Contract shall entitle the Company to suspend or discontinue deliveries/work on any order to any customer whose account is overdue for payment. There are no rights of set-off or counter claim without prior consent.

DRAWINGS, DESCRIPTIONS AND SPECIFICATIONS

All drawings, photographs, plans, capacities, weights and measurements and other particulars supplied by the Company are to be taken as approximate only. Minor deviation there from shall not invalidate the Contract or be made the basis of any claim against the Company.

DELIVERY/RISK

The Customer, at their own cost, must provide all labour and equipment for unloading the goods on delivery without delay and any standing time arising out of such delay shall be payable by the Customer.

The delivery dates or the dates for carrying out the services specified in the Contract are approximate only and, unless otherwise expressly stated, time is not of the essence for delivery or performance. Whilst every endeavour will be made to meet delivery dates, the Company will not be liable in any circumstances for the consequences of any reasonable delay in delivery or performance or failure to deliver or perform. No reasonable delay shall entitle the Customer to reject any delivery or performance or any further instalment of part of the order or any other order from the Customer or to repudiate the Contract or the order.

The risk for goods shall pass to the Customer as soon as delivery takes place. If the goods are delivered by the Company, delivery is deemed to take place when the goods arrive on the premises of the Customer, or the nominated delivery address specified in the Contract. If the goods are collected by the Customer, the delivery is deemed to take place when the goods are loaded by the



Customer. If for any reason the Customer is unable to accept delivery of the goods when the goods are due and ready for delivery the Company may arrange storage of the goods at the Customer's risk and the Customer will be liable for the reasonable costs of such storage. Liability of the Company for any loss or damage to goods sent for repair shall not exceed 3 times the invoice price or £10,000, whichever is the less unless otherwise agreed in writing prior to shipment or commencement of work.

The Company will only consider a claim by the Customer in respect of loss or damage in transit if the customer:-

(regarding non-arrival of goods) – gives notice to the Company within seven days of the advised/expected date of despatch of goods;

(regarding damaged goods) – gives notice to the Company within three days of receipt and, where the goods are transported by an independent freight carrier, complies with the freight carrier's Conditions of Carriage for notifying claims for loss or damage in transit;

(regarding latent defects) – gives notice to the Company immediately that they become apparent or when they ought to have become apparent based on the skill and knowledge of the buyer.

A small delivery charge will be made for all goods delivered by our own transport under normal circumstances. Special collections and/or deliveries will be charged for at a higher rate according to circumstances (details available on request).

TITLE

Legal and beneficial ownership of goods shall remain with the Company until payment in full has been received by the Company for (a) the goods; (b) all other sums owed by the Customer to the Company under the Contract, and (c) all other sums owed by the Customer to the Company in respect of any other goods on any other Contract or account whatsoever. Until such time as the property and the goods passes to the Customer, and, provided the goods are still in existence, and have not been resold, the Company shall be entitled to at any time require the Customer to deliver up the goods to the Company, and if the Customer fails to do so forthwith, to enter upon any premises of the Customer or any third party where the goods are stored and repossess the goods; or to hold a lien over any goods being held on the Company's premises and belonging to the Customer. Notwithstanding, the Customer shall insure all goods delivered to him by the Company and shall maintain them, making good all loss and damage, as if the title had passed. In the event that the Customer shall have sold or otherwise disposed of the goods prior to payment of the price, this shall be deemed to be a sale or disposal, on behalf of the Company and the proceeds shall be held by the Customer in trust for and on behalf of the Company.

DEFECTIVE GOODS/GUARANTEE/WARRANTY

The Company warrants that it will (at the Company's discretion) either repair or replace or refund part of or the full purchase price of any goods or repair work which is carried out by the Company and is accepted by the Company as being defective or not in accordance with the Contract made by or on behalf of the Company in respect of the goods or faulty workmanship within a period of six months from the date of purchase. This warranty shall not apply where the defect or fault is attributable to the use of incorrect grades of, or contaminated, hydraulic fluid; any incorrect commissioning and/or fitting; or general abuse.

The above warranty shall only apply if:

- (i) Any defect found in the goods within the warranty period is notified in writing within seven days of the defect becoming apparent and within six months of the purchase date and,
- (ii) The alleged defective parts are either returned to the Company's address, free from extraneous equipment at the Customer's cost (which will be refunded if the complaint is justified) or the Company or an agent of the Company is given a reasonable opportunity to inspect the alleged defective parts.

Goods supplied but not manufactured by the Company are sold subject to such guarantees and warranties as are offered by the Company's suppliers and in such cases the Company's liability to the Customer is limited to such rights and remedies as the Company may itself be able to exercise under the terms of the Company's agreements with its suppliers.

The Customer's remedies in respect of any claim under the foregoing express warranties or any conditions or warranties implied by law or any other claim in respect of the goods or services or any workmanship in relation thereto (whether or not involving negligence on the part of the Company) shall in all cases be limited to repair or replacement, re-performance or refund of the purchase price as aforesaid and any condition or warranty implied by law shall cease to apply after the expiry of the warranty period; and the Company shall not in any circumstances be liable for any damages, compensation, costs, expenses, losses or liabilities whether direct or consequential, and any other remedy which would otherwise be available in law is hereby excluded except to the extent that such exclusion is prohibited by any rule of law.



TERMINATION

The Contract cannot be cancelled after confirmation by the Customer and acceptance by the Company. No goods may be returned to the Company without prior consent and then only with our express instructions. In cases where an agreement regarding the return of goods is reached, a re-stocking charge (normally 15%) will be charged where necessary.

The Company reserves the right to cancel the Contract in the event that any of the clauses herein are found to be unenforceable.

The Company may, without prejudice to any other rights of the Company withhold delivery or suspend further deliveries, and where appropriate, repossess any goods delivered and/or terminate the Contract if:- (i) the Customer enters into any arrangement for the benefit of its Creditors; (ii) it being a Company, an order is made or a resolution passed or a petition presented for its winding up; (iii) if a Receiver, Manager or Administrative Receiver, or Administrator is appointed over any of the Customer's assets or undertakings; or (iv) the Customer ceases to trade.

SUB-CONTRACTING

The Company shall be entitled to sub-contract any work without obtaining the consent of, or giving notice to the Customer.

FORCE MAJEURE

The Company can accept no responsibility for failure to supply or for delay in supplying any goods or services which may be due directly or indirectly to any "act of god or force majeure, or any war, invasion, riot, civil commotion, any strike or lock-out, any fire, accident, break down of machinery, or without prejudice for the foregoing, any other cause or circumstance beyond our control.

CONSEQUENTIAL LOSS

The Company shall not be liable to the Customer for any direct or indirect consequential loss or damage (whether for pure economic loss, loss of profit, loss of business, depletion of goodwill or other like losses or damages), costs, expenses, or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the Contract, order of these conditions.

LAW

The Contract shall be governed, performed and construed according to the laws of England.

L&K Mining Limited

Overseas House,
66-68 High Road
Bushey Heath,
Herts, WD23 1GG, UK

11th July 2010