

NEW WEST METALS INC. - VENDOR TERMS AND CONDITIONS

1) DEFINITIONS:

- a) **“NWM”** means New West Metals Inc.
 - b) **“Goods”** means the items of property to be supplied by the Vendor to NWM as described on the Purchase Order.
 - c) **“Materials”** means the items of property to be supplied by the Vendor to NWM as described on the Purchase Order.
 - d) **“Purchase Order”** means the Purchase Order Document and these Terms and Conditions.
 - e) **“Vendor”** means the party designated as such in the Purchase Order Document.
- 2) **PURCHASE ORDER ACCEPTANCE:** When a Purchase Order is issued to the Vendor either via (email and or fax) the order will not become valid until the Vendor confirms back (acknowledgement) via email or fax on presented Terms and Conditions of the Purchase Order. Failing to sign and return the acknowledgement can result in NWM reserving the right to cancel the order, in whole or in part. At no time, NWM will not accept any Material and/or Goods without any confirmation/acknowledgement of the Purchase Order.
- 3) **VENDOR TERMS CONFLICT:** The Terms and Conditions of the NWM Purchase Order shall supersede all prior agreements, correspondence, understandings, commitments, whether oral or written between the Vendor and NWM with respect to the Goods and/or Materials noted on the Purchase Order.
- 4) **REVISIONS OR MODIFICATION OF ORDER ACCEPTANCE:** No revisions or modifications of the Terms and Conditions of the Purchase Order including price increases or substitutes, unless such revisions, substitutes and or modifications had been accepted in writing by NWM.

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- 5) **PRICING:** Is subject to confirmation at time of order. On the condition, at the time of date for the acceptance of Purchase Order if pricing is reduced prior to shipment date then NWM reserves the right to the so reduction amount. In the event, of any increase in pricing, the Vendor must notify NWM and receive a revised written acknowledgement for the increase or otherwise the pricing of goods remain as agreed upon as noted on the Purchase Order. Pricing on the Purchase Order (Canadian) Vendors should exclude all taxes and levies of any nature and kind in correlation to the Goods and/or Materials. For (USA) Vendors NWM will be responsible for all duties, brokerage and packaging costs if applicable.

- 6) **PAYMENT:** Payment terms are standard 45 days payment from the time of receipt of the invoice for the Goods and/or Materials unless communicated otherwise at time of Purchase Order confirmation.

- 7) **GOODS & MATERIALS NON-CONFORMANCE:** Vendors are required to notify NWM regarding any nonconforming Goods and/or Materials which are found to be involved with the Purchase Order as well as any nonconforming product disposition approvals. Vendors will also communicate all changes to the supplied Goods and/or Materials, processes in manufacturing the Goods and/or Materials or changes in suppliers, vendors, mills, facilities and any flow down requirements.

- 8) **DELIVERY & DELIVERY NON-CONFORMANCE:** NWM reserves the right to cancel all or any part of the Purchase Order, if the agreed upon specific delivery times are not met as expressed at the time of the Purchase Order acknowledgement. NWM reserves the right to return part or all of any shipment/order and incurred costs as a result of such default. Any delays in delivery times are to be communicated with NWM allowing the right to cancel and or accept the order. All specific shipping parameters must be followed through on the special instructions incorporated in the Purchase Order. Failure to do so can result in cancellation of the order.

- 9) **WARRANTY OF GOODS & MATERIALS:** All Goods and/or Materials delivered to NWM from the Vendor should be free and clear of any liens and or charges. Comply with applicable laws, health & safety and all transportation and border requirements. IE: NAFTA & Custom Requirements. All products must conform to requirements and specifications (tolerances) list on the Purchase Order.

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- 10) **QUALITY GUARANTEE OF GOODS & MATERIALS:** At time of inspection, all Goods and/or Materials must be free of any defects, deficiencies and non-conformances as found. If any defects, deficiencies and/or non-conformances are found during the inspection process then the Vendor must either, replace, repair or correct any defects in the Goods and/or Materials. NWM reserves the right to make the necessary repairs or corrections, replace the Goods or Materials at the sole expense of the Vendor. The Vendor shall remedy, at its own expense, without delay and in manner satisfactory to NWM requests.
- 11) **RIGHTS OF ACCESS:** NWM reserves the right to inspect all Goods and/or Materials at any time providing reasonable notice to their Vendor, to visit and enter the premises where the Goods and/or Materials are being designed, manufactured or stored. This would include all subsidiary Vendors, facilities and/or Mills in which they procure or manufacture their Goods and/or Materials.
- 12) **LIABILITIES & INDEMNIFICATION:** The Vendor shall be liable to NWM and shall indemnify NWM from and against all actions, claims, demands, losses, costs, expensed and liabilities of any kind arising out of the Purchase Order including claims made or damages sustained in respect of property damage and or personal injury.
- 13) **CONFIDENTIAL NON-DISCLOSURE OF INFORMATION:** Any data, drawings, specifications, reports samples or other technical, financial information relating to NWM business in which the Vendor may be privy to from the Purchase Order shall be deemed confidential and the Vendor shall not use the information for its own purposes (other than the Purchase Order). Nor shall the Vendor disclose any confidential third party except if specifically authorized by NWM in writing.
- 14) **RECORDS RETENTION:** The Vendor is required to control and retain all records that pertain to all Purchase Orders which are associated with all Goods and/or Materials purchased by NWM. All records associated with the Goods and/or Materials must be legible, remain that way, easily and readily identifiable, retrievable, stored and retained so that damage, deterioration and loss is prevented. The Vendor will be required to establish and record all quality records and make note of their retention period parameters, which are to be made available to NWM representatives for evaluation as required.

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- 15) **FORCE MAJEURE:** Any cause beyond the reasonable control of either party of the Purchase Order, which the party could not have avoided by the exercise of reasonable diligence and at reasonable cost and which does not result from such party's inability or meets its obligations due to hardship from a "Force Majeure" events which are Acts of God, weather, floods, war, strikes, labor actionetc.. resulting in damage due to extension of time that causes undue hardship resulting in the other party canceling the Purchase Order without additional recourse.
- 16) **COMPLIANCE WITH LAW:** The Purchase Order will fall upon the conditions for which it is governed (laws & regulations) by and in accordance by the Province, State and Country in which the contract is performed.