

TERMS AND CONDITIONS OF SALE - HIGH PURITY IRON INC.

1. General. Set forth below are the terms and conditions for sale of Product by High Purity Iron Inc. (also doing business as Rio Tinto Iron & Titanium America) ("HPI") to Customer. The words "Customer" and "Product" shall have the meanings ascribed to such terms on the face of the acknowledgment of order or invoice (the "Acknowledgement") to which these terms and conditions are attached. The terms and conditions and the Acknowledgement shall be collectively referred to as the "Agreement". All orders for Product must be accepted by HPI and shall be exclusively deemed accepted in the State of Illinois. HPI reserves the right to refuse to accept any order forwarded to it and shall not be liable in any respect by reason of such refusal. After acceptance by HPI, no order may be canceled or modified without HPI's prior written approval other than as provided for in Section 6 below.

2. Delivery; Risk of Loss and Title. HPI shall ship the Product in accordance with the delivery term (Incoterms 2010 edition) set forth in the Acknowledgement. Title to, and risk of loss in, Product shall pass to Customer upon Product being loaded into carrier at HPI's stockpile in accordance with the relevant incoterm. Any claims for loss or damage after risk of loss has passed to Customer shall be filed with the carrier. Customer shall obtain and complete any authorizations, permits, import licenses or other documents that may be required in order to import Product into the country of destination. Customer acknowledges that shipping dates are approximate. If shipment is delayed, HPI shall have no obligation to allocate deliveries of Product to the Customer as against other customers.

3. Payment. Payment for the Product shall be made by the Customer to HPI in cleared funds to the bank account specified on the Acknowledgement and by the due-date for payment as specified. In the case of late payment, HPI reserves the right to charge interest at LIBOR plus 12% for the period commencing the day after the due-date shown on the Acknowledgement. Furthermore, in the case of late payment, HPI shall have no obligation to ship to Customer or release from carrier any Product until full payment (plus interest (if applicable)) is received.

4. Warranties. HPI warrants that Product sold and delivered hereunder shall conform to the Specifications as provided by HPI from time to time (the "Specifications"). If any Product sold and delivered hereunder does not conform to said Specifications and in the event the parties are unable to agree on an equitable adjustment to the price, HPI shall, at its cost and expense, remove or otherwise dispose of such non-conforming Product and replace it with an equivalent quantity of Product which meets the Specifications. HPI's obligation to remove or dispose of and replace non-conforming Product shall be Customer's sole and exclusive remedy and HPI's sole obligation hereunder. HPI shall only be obliged to remove/dispose and replace non-conforming Product if the Customer gives prompt written notice to HPI of such non-conformance. EXCEPT AS PROVIDED IN THIS SECTION 4, CUSTOMER TAKES THE PRODUCT "AS IS". CUSTOMER ACKNOWLEDGES AND AGREES THAT HPI MAKES NO EXPRESS WARRANTIES. ALL WARRANTIES IMPLIED AT COMMON LAW, BY CONTRACT, BY STATUTE, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE, OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM A COURSE OF DEALING, OR USAGE OF TRADE, ARE SPECIFICALLY DISCLAIMED AND EXCLUDED. HPI SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, SPECIAL OR PUNITIVE RELATING DIRECTLY OR INDIRECTLY TO THE HANDLING, POSSESSION, RESALE, USE OR DISPOSAL OF PRODUCT AFTER THE TITLE OF PRODUCT HAS TRANSFERRED TO CUSTOMER WHETHER ALONE OR IN COMBINATION WITH OTHER SUBSTANCES BY CUSTOMER OR ITS AGENTS, EMPLOYEES OR CUSTOMER.

5. Trademarks. Customer agrees that nothing herein shall give Customer any right, title or interest in any trademarks licensed to HPI including without limitation, SORELMETAL ®. Customer acknowledges that such Trademarks rights are the sole property of HPI and that Customer shall not use such trademarks.

6. Force Majeure. In the event of force majeure or any contingency which is beyond the control of HPI or Customer, which delays or interferes with performance hereunder or the sale or delivery of Product, then such event shall be considered sufficient justification for delay in making shipment or delivery or taking delivery or performance hereunder (other than the payment of money for Product which has been delivered), in whole or in part, until such event ceases to exist, and these terms and conditions shall be deemed suspended as long as such event prevents or delays performance, provided that prompt notice (normally within one week of the occurrence of the event) of the beginning and end of any such event be given by the party affected to the other party. Should such event last longer than three months, the parties shall consider the steps to be taken following the cessation of such event and HPI shall have the right terminate this Agreement upon written notice to Customer.

7. Taxes. All taxes, imposts, and/or duties imposed and/or levied by or payable to any federal, state or local government or any subdivision thereof on this Agreement, or upon any or all of the Product covered hereby, or upon any transaction or delivery hereunder, or upon the purchase price payable hereunder, but excluding any taxes based on the net income of HPI, shall be for the account of and are assumed by Customer, whether such taxes, imposts and/or duties shall be paid or be payable by HPI, or otherwise.

8. Indemnification. Customer agrees to indemnify, defend, and hold harmless HPI, its parents, subsidiaries and affiliates, and any of their respective past or present directors, officers, employees, agents and representatives, against any and all liabilities, claims, damages, investigations, suits, causes of action, judgments, losses, penalties, costs or expenses for loss or injury to persons or property including, without limitation, reasonable attorneys' fees, based upon any legal theory whatsoever, arising out of or in consequence of, or alleged to have arisen out of or in consequence of, in whole or in part: a) any breach or default by Customer of the terms or conditions of this Agreement; b) acts and omissions, whether negligent or not, including, without limitation, with respect to acts of transportation, loading, transloading, unloading, storage, handling, use, processing or application of Product, by Customer or its customer(s), and/or its or their employees, agents, end-users, or anyone acting on their behalf or at their request, or of a holder, whether or not in due course, of Product after title thereto has passed to Customer; c) violations of statutes, regulations, ordinances, or rules by Customer, d) liabilities predicated on theories of strict liability, whether imposed or arising under a statute, ordinance, regulation, or at common law or otherwise; or e) subsequent use or resale of the Product or other storage, disposal, or other disposition by Customer or its customer(s), and/or its or their employees, agents, end-users, or anyone acting on their behalf or at their request, or of a holder, whether or not in due course, of Product after title thereto has passed to Customer, including, but not limited to, any and all representations or warranties that Customer makes to a third party in the course of the use, resale or other disposal of the Product.

9. Entire Agreement; Miscellaneous. No terms or conditions other than those stated herein and no agreement, conversation or understanding in any way changing, modifying or supplementing these terms and conditions shall be binding upon HPI unless such terms are accepted in writing by HPI and signed by its duly authorized representative. If Customer has issued or issues any purchase order, confirmation, memorandum or other instrument in regards to Product, it is specifically agreed and understood that such purchase order, confirmation, memorandum or other instrument is for Customer's internal administrative purposes only and any or all terms, conditions and provision therein contained, whether printed or otherwise, shall be absolutely void and of no force or effect against HPI. If the shipment covered by these terms and conditions is pursuant to an agreement between HPI and Customer, and if there is any conflict between the terms and conditions hereof and the terms and conditions of the agreement, those of the agreement shall prevail. If any term of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement may be executed in counterparts and may be transmitted electronically; such signatures shall be binding as though originally signed and constituting one and the same Agreement.

10. Governing Law; Venue. This Agreement shall be deemed to be made under and shall be governed by the laws of the State of Illinois including, without limitation, matters of construction, validity and performance, without giving effect to any choice or conflict of law provision or rule (whether of the State of Illinois or any foreign jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois. The U.N. Convention on the International Sale of Goods shall not apply to the provisions of this Agreement. Any litigation or arbitration between the parties relating to this Agreement shall be conducted exclusively in a state or federal court in Illinois and its courts of appeal. The parties agree and submit to such exclusive jurisdiction and venue.