

GOLD ROAD RESOURCES LIMITED'S STANDARD TERMS AND CONDITIONS (v1 - 31 August 2016)

1 Supply

- 1.1 This Order comprises the "Purchase Order" issued by the Company's enterprise resource planning system to the Supplier (**Purchase Order**), as modified by any "Change Order" issued by the Company's enterprise resource planning system to the Supplier (**Change Order**), any documents specifically referred to in the Purchase Order or any Change Order and these terms and conditions.
- 1.2 This Order applies to the exclusion of any terms and conditions appearing on or forming part of the Supplier's delivery dockets or invoices or appearing on or forming part of any document specifically referred to in the Purchase Order or Change Order, unless the Purchase Order or Change Order specifically refers to the Supplier's terms and conditions as a specific and discrete document.
- 1.3 This Order supersedes all other communications and negotiation (whether oral or written) between the Supplier and the Company in relation to the Goods and Services and constitutes the entire agreement between the parties.
- 1.4 The Supplier is bound by this Order whether or not the Order has been signed by the Supplier.
- 1.5 The Order number must be shown on all invoices and documents relating to the supply of the Goods and Services. The item quantities must be shown on all invoices and packing lists. Where applicable, any bill of lading must be delivered with the invoice.
- 1.6 The goods and services described in this Order (respectively the **Goods** and **Services**) shall be supplied by the Supplier to the Company strictly in accordance with the terms set out in this Order and no alteration shall be made to these terms without the written authorisation of the Company or the issue by the Company of a Change Order.
- 1.7 The terms Goods and Services shall be read and applied to either the Goods or the Services, or both, which are the subject of this Order, as may be required.
- 1.8 "Goods" includes all goods described in the Purchase Order or Change Order, all manuals, spare parts and operating instructions needed by the Company for the proper use of the Goods, and all other things which can reasonably be inferred from the description of the Goods in the Purchase Order or Change Order.
- 1.9 The Supplier is taken to have carefully examined all documents and other information furnished by the Company relating to the supply of the Goods and Services and to have fully satisfied itself of all conditions, risks, contingencies and other circumstances which might affect the supply of the Goods including conditions at the point of delivery, and to have made due allowance for these in the Price.

2 Price

- 2.1 The Price for the Goods and Services is fixed unless otherwise specified in this Purchase Order or agreed in writing by the Buyer and the Supplier. No prices listed on this Order are subject to escalation unless the Buyer expressly agrees in this Order or in writing (signed by an authorised representative of the Buyer) to such escalation.
- 2.2 The Price includes all taxes, levies and fees (including GST) which are payable in relation to the supply and delivery of the Goods and Services. The Supplier must pay any such taxes, levies and fees.
- 2.3 Subject to clause 2.4, the Price will not be varied for any reason except where expressly agreed in writing, signed by an authorised representative of the Company or the issue by the Company of a Change Order.
- 2.4 The Company may, by notice in writing addressed to the Supplier and signed by an authorised representative of the Company or by the issue by the Company of a Change Order, vary the quantity or quality or description of the Goods or Services, the Date for Delivery or any aspect of the supply of the Goods or Services. The Price will be altered by a reasonable amount determined by the Company for that variation.
- 2.5 The Supplier must deliver to the Company an invoice for Goods and Services delivered under the Order. The Company must pay the Supplier the amount determined by the Company as the appropriate proportion (having regard to the provisions of the Order and the proportion of the Goods delivered and Services performed) of the Price for the Goods and Services within 30 days of receipt of the invoice by the Company. The invoice must be in the form of a tax invoice.
- 2.6 All invoices must be itemised and be in a form which clearly indicates any GST component already paid by the Supplier, for which the Company is entitled to claim an input credit.
- 2.7 The Company may deduct from any amount owing to the Supplier under the Order, including any part payment of the Price, any amount which the Company asserts is or may become payable by the Supplier to the Company including amounts by way of liquidated or unliquidated damages.
- 2.8 If the Company disputes the amount stated in the invoice, the Supplier must:
 - (a) request separate new invoices from the Supplier for the undisputed and disputed sums and pay the undisputed portion in accordance with clause 2.5; and
 - (b) within 30 days after receipt of the invoice, notify the Supplier of the dispute and the reason for the dispute.
- 2.9 Payment of the disputed amount will be withheld until settlement of the dispute.
- 2.10 The Company may make payment by cheque, bank cheque, transfer, or cash payment or in any manner otherwise agreed in writing by the parties.
- 2.11 All payments will be on account only and will not be an admission that the Goods or Services comply with this Purchase Order.
- 2.12 In this **clause 2**:
 - (a) unless there is a contrary indication, words and expressions which are not defined in this **clause 2** but which have a defined meaning in the GST Law have the same meaning as in the GST Law;
 - (b) "GST Law" has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act; and
 - (c) references to GST payable and input tax credit entitlements include:
 - (i) notional GST payable by, and notional input tax credit entitlements of the Commonwealth, a State or a Territory (including a government, government body, authority, agency or instrumentality of the Commonwealth, a State or a Territory); and
 - (ii) GST payable by, and the input tax credit entitlements of, the representative member of a GST group of which the entity is a member.

3 Time and delivery

- 3.1 The Supplier is to supply the Goods and Services by the date (or dates) specified in this Order. The time for supply of the Goods and Services is of the essence in the Order.

- 3.2 Should any change in delivery date (or dates) be proposed by the Supplier for whatever reason, immediate written notice shall be given to the Company who may in its absolute discretion accept or reject the proposal.
- 3.3 The Company is not obliged to accept early delivery of the Goods. If the Company does not accept early delivery of the Goods, the Supplier must, at its cost, hold the Goods in store until the Date for Delivery.
- 3.4 The Date for Delivery may only be extended by the Company to the extent that the Supplier is delayed by an act, omission or default of the Company or an agent or employee of the Company.
- 3.5 The period of an extension to the Date for Delivery will be a reasonable time, having regard to the cause of the delay and the steps the Supplier could reasonably have taken to mitigate the effect of the delay.
- 3.6 The cost of carriage of the Goods to the Point of Delivery, and all packing, loading and unloading is included in the Price and must be borne by the Supplier.
- 3.7 The Supplier must comply with all safety requirements of the Company relating to the supply of the Goods and Services.
- 3.8 The Supplier must deliver all applicable material safety data sheets (MSDS) with the Goods.

4 Delivery Program

- 4.1 If requested in the Order, the Supplier must, within seven days of a written request by the Company, provide the Company with a program which identifies all major milestones in the manufacture and delivery of the Goods and carrying out of the Services. The supply of a program does not affect the obligation of the Supplier to supply the Goods and Services in accordance with this Order.

5 Supplier's Default

- 5.1 If the Supplier fails to comply with any condition contained in this Order, the Company may, at any time from then on and without affecting any of its other rights:
 - (a) in relation to Goods:
 - (i) refuse Goods delivered to or left at the delivery site which have not become its property in accordance with **clause 9** Error! Reference source not found. of this Order; and/or
 - (ii) procure similar goods elsewhere, and
 - (b) in relation to Services:
 - (i) refuse the Services provided; and/or
 - (ii) procure similar services elsewhere, and

the Supplier shall be liable for any additional costs incurred by the Company as a consequence of the Supplier's default.

6 Risk and title

- 6.1 The property in the Goods delivered to or left at the delivery site nominated by the Company shall not pass from the Supplier to the Company and shall remain at the risk of the Supplier until the Company has:
 - (a) expressly accepted the Goods after inspection;
 - (b) installed the Goods; or
 - (c) paid for the Goods,whichever shall first occur. Any inspection carried out by the Company shall be without prejudice to any rights the Company may have in respect of a breach of the Supplier's warranties in accordance with **clause 9** of this Order.
- 6.2 The Supplier must insure the Goods against all risks of loss, damage and depreciation for the full replacement value until ownership passes in accordance with **clause 6.1**.

7 Insurance

- 7.1 Prior to commencing any work to fulfil the Order and before entering the Company's premises or the Point of Delivery, the Supplier must effect the following insurance policies with reputable insurers:
 - (a) workers compensation to the extent required at law; and
 - (b) public and product liability insurance to an amount not less than the amount identified in the Order (and if nothing is stated, \$20,000,000).
- 7.2 Where the Services include professional services, the Supplier must arrange and maintain, at its own expense, until 3 years after the Supplier has completed the Services, professional indemnity insurance to an amount not less than the amount identified in the Order (and if nothing is stated, \$1,000,000).
- 7.3 Where requested by the Company the Supplier must immediately provide certificates of currency for the policies effected under **clauses 6.2 and 7**.

8 Inspection and return

- 8.1 Where, upon inspection by the Company, the Goods or Services are not acceptable to the Company, the Company may at the Supplier's expense:
 - (a) in relation to Goods:
 - (i) return the Goods to the Supplier; and
 - (ii) at its election, deduct from any money payable to the Supplier, under this Order or any other contract or agreement between the Company and the Supplier, the cost of returning the Goods; and
 - (b) in relation to Services:
 - (i) request that the Supplier rectify the Services so that they are acceptable to the Company; or
 - (ii) engage another supplier for the purpose of completing the Services.

9 Suppliers warranties in relation to Goods

- 9.1 The Supplier warrants that the Goods will:
 - (a) at delivery, be new and in good order and condition;
 - (b) comply precisely with the description in the Order (as varied under **clause 2.4**);
 - (c) comply with any relevant patterns or specifications;
 - (d) be of good merchantable quality;
 - (e) be fit for the purpose made known to the Supplier by the Company or, if none was made known to the Supplier, fit for the purpose for which goods of that kind are ordinarily used;
 - (f) comply with any other warranties or guarantees contained in the Order or, if nothing is stated, be free of defect, failure or malfunction (except to the extent attributable to wrongful use or failure to maintain by Company) for 18 months from the date of

- delivery or 12 months from first use by the Company, whichever is the earlier;
- (g) comply with all applicable Australian standards;
 - (h) comply with the provisions of any legislation applicable to them; and
 - (i) at delivery, be free from all charges, liens and encumbrances.
- 9.2 The warranties in **clause 9.1** are in addition to any warranties or guarantees which are or may be implied under the *Sale of Goods Act 1895* (WA), the *Competition and Consumer Act 2010* (Cth) and any other legislation applicable to the Goods.
- 9.3 The Supplier warrants that it has the necessary skills, resources and experience to successfully supply the Goods in accordance with this Order.
- 9.4 The Supplier warrants that it has all intellectual property rights (including any patents, trade marks and copyright) necessary to supply Goods in accordance with the Order and indemnifies the Company and its Related Bodies Corporate against any loss, cost, damage or expense incurred by the Company as a consequence of any claim by a third party that it has a right to any intellectual property right in the Goods.
- 9.5 The Supplier warrants to the Company that it is the legal and beneficial owner of the Goods supplied by it under the Order.

10 Supplier's Warranties in relation to Services

- 10.1 The Supplier warrants that:
- (a) the Services shall:
 - (i) be of a good, tradesman-like quality or good merchantable quality that is acceptable to the Company;
 - (ii) comply with all applicable Australian standards and legislation; and
 - (iii) not cause unnecessary delays, inconveniences to the Company and unnecessary damage including the removal of other infrastructure;
 - (b) it is practicable to complete the Services in the manner envisaged and in the time required;
 - (c) it has the necessary skills, resources and experience to supply the Services;
 - (d) it has all intellectual property rights (including any patents, trade marks and copyright) necessary to supply the Services; and
 - (e) the completed Services shall remain free from all faults, defects and remain fit for service for a period of one year from the date of the completion certificate unless otherwise specified in the Order.
 - (f) comply with, and ensure that its personnel comply with,

11 Intellectual Property

- 11.1 The Supplier grants to the Company a perpetual, irrevocable, royalty free, non-exclusive and transferable licence (including a right to sublicense) to use any design documentation prepared by the Supplier as part of its obligations under this Order (including all specifications, plans, drawings, calculations and other technical information).

12 Indemnity

- 12.1 The Supplier indemnifies the Company, its successors, assigns, its Related Bodies Corporate, customers and users of the Goods and Services from and against all actions, suits, claims, demands and costs arising out of or in any way connected with any breach of the Supplier's warranties in **clauses 9 and 10** of this Order.

13 Further liability of the Supplier

- 13.1 The Supplier is liable for and indemnifies the Company and its Related Bodies Corporate against any loss or damage caused to or suffered by the Company as a result of any act or omission by the Supplier, its agents, subcontractors and employees occurring on any property under the ownership or control of the Company or a Related Body Corporate.

14 Use of Items and information provided by the Company

- 14.1 All tools, patterns, materials, drawings, specifications and other data provided by the Company in connection with this Order:
- (a) remain the property of the Company;
 - (b) must be used solely for the purpose of supplying the Goods or Services;
 - (c) must not be passed to or divulged to any third party except with the express consent of the Company in writing; and
 - (d) must be returned by the Supplier to the Company on delivery of the Goods or completion of the Services.

15 Bankruptcy of Supplier

- 15.1 If the Supplier:
- (a) is a person or a partnership and becomes bankrupt or assigns his estate for the benefit of his creditors; or
 - (b) is a company, and the company:
 - (i) goes into liquidation (other than for amalgamation or reconstruction);
 - (ii) has a receiver or voluntary administrator or provisional liquidator appointed to its affairs; or
 - (iii) enters into a deed of arrangement or composition with its creditors,
 this Order shall be automatically cancelled and the Company shall be under no liability for payment of any Goods or Services not then delivered to, completed or accepted by the Company, as the case may be.

16 Termination

- 16.1 In addition to the rights under the Order, the parties have the rights of termination available to them at statute and common law.
- 16.2 The Company may suspend all of part of the supply of the Goods or Services at any time for any period of time by notice in writing to the Supplier. The Supplier must comply with the notice and recommence supply when notified by the Company. The Supplier will not be entitled to any additional payment arising as a result of the suspension.
- 16.3 The Company may terminate this Order at any time by giving notice in writing to the Supplier. Subject to any rights the Company may have of set off or deduction, on termination the Company's only obligation will be to pay the Supplier for Goods or Services which have been delivered in accordance with this Order prior to the date of termination.

17 Confidentiality

- 17.1 The Order must be treated as confidential and must not be disclosed to any person, firm or Company or used for advertisement, display or publication without the prior written consent of the Company.
- 17.2 Any Inside Information relating to this Order should only be passed on to persons on a "need to know" basis, with the recipients being made aware of the need for secrecy. The Supplier must ensure that persons in receipt of Inside Information are aware of the prohibition on insider trading.

- 17.3 Accordingly, no transactions of any kind (including options trading) in Gold Road Resources Limited's securities or derivatives related to those securities should take place by any person who is privy to the Inside Information.

- 17.4 For the purposes of this **clause 17**, "Inside Information" has the same meaning in respect of section 1043A of the *Corporations Act 2001* (Cth).

18 Notices

- 18.1 A notice, demand, certification, process or other communication relating to this Order must be:
- (a) in writing;
 - (b) delivered by hand or by mail to the address, or sent to the email address, stated in this Order, or as a party may notify to the others from time to time in writing; and
 - (c) marked with the title stating that it is a notice under this Order.
- 18.2 Subject to **clause 18.3**, a notice is given on the day that:
- (a) if delivered by mail to the addressee, on the third business day after posting;
 - (b) if delivered by hand to the addressee, on the day of delivery if it is a business day, otherwise on the next business day; or
 - (c) if transmitted by email, is deemed to be given by the sender and received by the addressee 1 hour after the sender sent the notice email, unless the sender knows or ought reasonably to suspect that the email was not delivered to the addressee's domain specified in the email address (including where the sender receives a delivery failure notification email), in which case the sender must resend the notice by another method of notice according to this **clause 18**.
- 18.3 If a notice delivered by hand or deemed to be given by email in accordance with **clause 18.2(c)** after 5.00 pm in the place of receipt on any day, the notice will be deemed to have been received on the next business day.

19 PPS Act

- 19.1 In this **clause 19**:
- (a) PPS Act means the *Personal Property Securities Act 2009* (Cth);
 - (b) collateral has the meaning in the PPS Act;
 - (c) Financing Statement has the meaning in the PPS Act;
 - (d) Perfect has the meaning in the PPS Act;
 - (e) Register has the meaning in the PPS Act; and
 - (f) Security Interest means a mortgage, charge, lien, pledge, any other interest or arrangement of any kind that in substance secures the payment of money of the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property or any security arrangement which is deemed to be a security interest for the purposes of the PPS Act.
- 19.2 The Supplier must, upon demand co-operate with the Company so as to give the Company the full benefit of any Security Interest created by this Order, including providing all details of any collateral the subject of such Security Interest reasonably necessary for the Company to register and maintain a Financing Statement on the Register in respect of the Security Interest.
- 19.3 The Company is not required to give any notice under the PPS Act (other than a notice under section 157 of the PPS Act) unless the obligation to give the notice under the PPS Act is required by the PPS Act and cannot be excluded.
- 19.4 Despite **clause 17**, the Company and the Supplier agree, subject to section 275(7) of the PPS Act, that neither of them will disclose information of the kind mentioned in section 275(1) of the PPS Act.

20 Miscellaneous

- 20.1 A reference to:
- (a) words in the singular include the plural and vice versa;
 - (b) any gender includes the other genders;
 - (c) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (d) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (e) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
 - (f) "Related Body Corporate" has the same meaning as section 50 of the *Corporations Act 2001* (Cth); and
 - (g) "includes" means includes without limitation.
- 20.2 Headings of clauses must not be used in the interpretation of this Order.
- 20.3 Remedies of the Company under the Order are without prejudice to remedies at common law or under statute.
- 20.4 No rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it.
- 20.5 No waiver by the Company of a breach of the Order by the Supplier constitutes a waiver for any subsequent or continuing breach by the Supplier.
- 20.7 This Order is governed by the laws of Western Australia and the parties submit to the jurisdiction of the courts of Western Australia and any courts which have jurisdiction to hear appeals from any of those courts.
- 20.8 The United Nations Convention on contracts for the International Sale of Goods does not apply to this Order.
- 20.9 If any of the provisions of this Order are held by a court of competent jurisdiction to be invalid or otherwise unenforceable that provision may be severed from the Order and the remainder of this Order will continue to be effective and valid notwithstanding such severance.
- 20.10 The Supplier must not, without the prior written approval of the Company, assign, or deal with its interest under the Order. Any such approval will not relieve the Supplier of its obligations under the Order. The Company may assign or novate its rights under this Order without giving prior notice to the Supplier.