

**Atlas Copco Exploration Products
Division of Atlas Copco Canada Inc.
Standard Terms of Purchase**

1. GENERAL

A. These standard terms of purchase form part of the purchase order submitted by Atlas Copco Exploration Products (“**Buyer**”). Prompt acceptance of this order, by signing and returning a copy of the purchase order, is requested but, in any event, any delivery hereunder shall constitute an acceptance of all terms of Buyer’s purchase order, including those set out below.

B. Buyer’s purchase order, including these standard terms of purchase, is a final, complete and exclusive statement of the agreement between the parties and may not be modified, supplemented, explained or waived by testimony, Seller’s acknowledgement, a course of dealing, or in any other way except in writing by an authorized representative of Buyer. Any reference in this order to Seller’s proposal or quotation are only to describe the materials or work covered hereby and do not constitute Buyer’s acceptance of any terms set forth therein.

C. This order and the language herein shall be construed and enforced under the laws of the Province of Ontario in effect on the date hereof. SELLER HAS REQUIRED THAT THIS DOCUMENT BE DRAWN UP IN ENGLISH. VENDEUR A EXIGE QUE CE DOCUMENT SOIT REDIGE EN ANGLAIS.

2. PERFORMANCE BY SELLER

A. Time is of the essence for this order and it is essential that it be performed, filled and delivered on the specified date(s) and that the work progress in a timely fashion. By notice in writing, Buyer may temporarily suspend or postpone the shipping schedule as it deems necessary and without additional cost to Buyer.

B. Seller warrants that material and work finished hereunder shall comply with all the requirements of this order, (including those contained in drawings, designs, specifications, and other documents referenced herein), shall be fit for the purposes intended, shall be subject to Buyer’s inspection at all times and places including for a reasonable period following receipt and shall be of the highest grade and quality unless otherwise specified. This warranty shall survive inspection, tests, acceptance any payment.

C. This order is issued to Seller in reliance on Seller’s performance and Seller may not assign this order or the payment of any sums due hereunder, or subcontract any substantial part of the performance or work other than in respect of standard commercial supplies.

D. Seller warrants that it shall comply with all applicable Federal, Provincial or State and local laws.

E. Seller agrees to defend, indemnify and hold harmless Buyer and its customers against all claims for infringement of any Canadian or foreign patent, industrial design or trademark which may arise from the manufacture, use or sale of material or work furnished hereunder.

F. Seller agrees to release, defend, indemnify and hold harmless Buyer for, from and against any and all claims, except those based on Buyer's gross negligence, connected with or arising out of injury or death to Seller's agents, servants and employees or damage to or destruction of Seller's property. Seller further agrees to defend, indemnify and hold harmless Buyer, its officers and employees from any claims of damages whatsoever occasioned in whole or in part by acts or omissions of Seller, its agents, and employees or permitted subcontractors, such indemnification to survive delivery of the material or work supplied hereunder. Without limiting the foregoing undertaking and to secure performance thereof, Seller shall maintain public liability and property damage insurance in reasonable amounts and shall, upon request therefor, furnish Buyer with certificates evidencing same and showing waiver of subrogation rights against Buyer and providing that Buyer shall be given ten (10) days advance notice in writing concerning abrogation or cancellation thereof.

3. CERTAIN CHARGES OR EXPENSES NEGATED

Unless otherwise specifically provided herein: (i) no charge for transportation, packaging, crating, cartage, storage or containers shall be allowed; (ii) Seller shall pay and the price include, all applicable duties, sales and other taxes which are not imposed by law on Buyer; and (iii) any information or data disclosed or furnished to Buyer by Seller hereunder shall be deemed sold as part of the price hereof, non-proprietary and free of all restrictions whatsoever.

4. BUYER'S PROPERTY

A. Buyer retains all right, title and interest in and to all drawings, designs, specifications and technical data furnished to Seller by or on behalf of Buyer for use with the order (including, without limitation all modifications or other changes made to same by Buyer, Seller or any third party) ("Buyer Technical Information"). Seller acknowledges and agrees that all Buyer Technical Information constitutes the confidential and proprietary information of Buyer and shall be used by Seller solely to complete the order. Seller shall not make any copies or reproductions of any Buyer Technical Information without the prior written consent of Buyer. Upon the completion or termination of this order, Seller shall promptly return all Buyer Technical Information to Buyer.

B. All materials, including, without limitation, tools, special dies and patterns, furnished and specifically paid for by Buyer, shall be the property of Buyer, shall be returned to Buyer when no longer required hereunder, shall be used by Seller only to complete the order and shall be segregated and clearly identified by Seller as property of Buyer. Seller assumes all risk and liability for loss or damage thereto, except for normal wear, and agrees to permit inspection and supply detailed statements of inventory upon request of Buyer.

5. CHANGES

Buyer may at any time by written notice make changes within the general scope of this order. If any such change affects the time for or cost for performance, an equitable adjustment shall be made in the delivery schedule, purchase price, or both, by agreement of the parties. All claims by Seller for adjustment under this Clause must be asserted, in writing and in full, within thirty (30) days from the day of notification of the change or shall be waived. Nothing therein shall excuse Seller from proceeding with the order as changed. No extras shall be allowed except pursuant to written changes as provided in this Clause.

6. TERMINATION

A. Buyer may at any time terminate this order, in whole or in part, by written notice, whereupon Seller shall terminate work pursuant to the terms of such notice. Seller shall promptly advise Buyer of the quantities of applicable work and material on hand or purchased prior to termination and the most favorable disposition that Seller can make thereof. Seller shall comply with Buyer's instruction regarding disposition of such work and material. All claims by Seller based on such termination must be asserted, in writing and in full, within ninety (90) days from the date of notification of the termination or shall be waived. Buyer shall pay Seller the purchase order price of finished work and the Sellers' cost (excluding profit or losses) of work in process and raw material; less, however: (i) the agreed value of any items used or sold by Seller with Buyer's consent; and (ii) the reasonable value or cost (whichever is higher) of any defective, damaged, or destroyed work or material and any items sold or used by Seller without Buyer's consent. Buyer will make no payments for finished work, work in process or raw material fabricated or procured by Seller unnecessarily in advance or in excess of Buyer's delivery requirements. The payment provided under this Clause shall constitute Buyer's only liability in the event this order is terminated as provided herein. The foregoing provisions of this Clause shall not apply to any termination by Buyer for default of Seller or under the following provisions of this Clause unless a court shall find such termination by Buyer to be improper.

B. To the extent this order covers items normally carried in inventory by Seller (as distinguished from items specially made to Buyer's specifications), Buyer shall

have no liability for any termination of this order, in whole or in part, prior to actual shipment and for any termination within ten (10) days after receipt by Buyer, in respect of which Buyer's liability shall be limited to returning said items and reimbursing Seller for direct costs of handling and transportation.

C. Buyer shall not be liable for failure to take delivery of material or work or render any other performance in the event fire, accidents, labor difficulties, governmental actions, third party failures or any other conditions beyond Buyer's reasonable control render it commercially impractical for Buyer to do so.

7. BUYER'S REMEDIES

If Seller shall fail in any respect to meet the requirements of Clause 2 hereof or otherwise fail to fulfill its obligations under this agreement, Buyer may, at Buyer's option, without limiting its other recourses: (i) terminate this agreement for default; (ii) hold deficient work or material at Seller's expense subject to Seller's disposal or return same, at Seller's risk and expense including transportation both ways, for credit on the purchase price or correction of defects; or (iii) correct any deficiencies in the work or material or have them corrected elsewhere or supply the work and material itself or obtain them elsewhere, the whole at Seller's cost. Seller shall be liable to Buyer for all costs and expenses additional to those which would have been incurred by Buyer if there had been no such failure or default and Seller's warranties and other obligations hereunder shall continue to apply to such work and material so corrected, supplied or obtained as set forth above. All rights and remedies provided Buyer in this order are cumulative and shall be in addition to all other rights and remedies provided under law and Buyer's failure or delay in one or more instances to exercise all or any of such rights and remedies shall not constitute a waiver thereof.

8. TAXES

Seller's G.S.T. registration number must be printed or shown on each invoice. G.S.T. amounts and where applicable, provincial sales tax amount must be shown as separate items.

9. VERIFICATION

Buyer reserves the right to have our customer representative verify product at the Seller's premises.