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NORTHERN STEEL LTD.

ISO 9001

www.northernsteelltd.com

General Terms and Conditions of Sale

1. Definitions:

In this document the "Seller" refers to Northern Steel Ltd., the party offering for sale the equipment ("Equipment") and/or related manufacturing services ("Services"), if any. The "Buyer" refers to the party issuing a purchase order or otherwise buying Equipment or related manufacturing Services from the Seller.

2. Applicable Terms:

The terms and conditions contained herein, as amended from time to time ("Seller's General Terms"), shall govern the sale by the Seller and the purchase by the Buyer of Equipment and/or Services referred to in Seller's quotation, proposal or order acknowledgment ("Seller's Documentation"). Any offer or acceptance shall be subject to and conditional upon Buyer's agreement to Seller's General Terms without modification. Seller hereby expressly rejects all terms or conditions to the contrary in Buyer's documents or elsewhere, unless and until Seller has otherwise agreed in writing by express reference to Seller's General Terms. Seller's business practice involves receipt of orders by email, fax or telephone but Seller hereby expressly rejects and refuses to be bound by any terms, conditions or requirements contained in Buyer's documentation to the extent they are in conflict with Seller's General Terms. See Seller's website for current Seller's General Terms: www.northernsteelltd.com.

3. Payment:

Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. All payments are due within 30 days after receipt of invoice ("Due Date"), unless otherwise agreed to in writing by the Seller. Buyer shall be charged the lower of 2% interest per month or the maximum legal rate applicable on all amounts due but not received in full by Seller by the Due Date. All orders are subject to credit approval by the Seller in its sole discretion.

4. Collection Fees:

Buyer agrees to pay or reimburse Seller all reasonable costs and expenses incurred by Seller in collecting or attempting to collect past-due balances, including, but not limited to, third party collection fees, reasonable legal fees, expenses and court costs.

5. Shipping:

The shipping method will be FCA Prince George, BC, chosen by the Seller, unless otherwise specified by the Buyer and agreed by the Seller in writing. Buyer shall pay freight, storage, insurance and all taxes, duties or other charges whatsoever relating to the shipment of Equipment. If Seller is required to prepay any such charges on behalf of the Buyer, Buyer shall immediately reimburse Seller.

6. Loss, Damage, or Delay:

Seller will use its best efforts to ship Equipment by the delivery dates specified, however, Seller shall not be liable for any delays or loss caused by shipment or delivery of Equipment or for any damages suffered or arising by reason thereof. Shipment dates shall be extended for a time period equal to the duration of any default or delay by Buyer.

7. Shortages:

Shortages must be reported in writing to Seller within twenty-four (24) hours of receipt of Equipment, otherwise shipment is presumed to be complete and in accordance with the bill of lading and packing list and Seller's Documentation.

8. Backcharges:

Seller expressly rejects any backcharges or costs whatsoever for or resulting from work performed on the Equipment by any person other than Seller except upon Seller's prior written consent. In no case shall backcharges exceed the purchase price for the specific piece of Equipment.

9. Cancellation:

If Buyer cancels or suspends an order for any reason other than Seller's breach, Buyer shall promptly pay Seller for work performed and costs incurred by Seller prior to such cancellation or suspension and any other direct costs incurred by Seller as a result of such cancellation or suspension as well as an additional 20% of all such amounts as Seller's profit.

10. Force Majeure:

Neither Seller nor Buyer shall have any liability for any delay, breach (except for breach of payment obligations), loss or damage caused by extreme weather or climate or other act of God, strike or other labour shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, act of government or any other cause beyond such party's reasonable control.

11. Proprietary Information, Confidentiality and Ownership:

All devices, designs (including drawings, plans and specifications), know-how, trade secrets, technical information, estimate pricing, notes, electronic data or any documents, information or material prepared or disclosed by Seller and any proprietary or intellectual property rights or interests whatsoever, whether registered or unregistered, shall be the sole and exclusive property of Seller. Buyer shall not disclose or distribute any such material to third parties without Seller's prior written consent. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Equipment as disclosed under the contract order.

12. Disclaimers:

Except for Express Warranties granted herein, Seller makes no warranty, express or implied, including, without limitation, implied warranties of merchantability or suitability for the purpose or design.

13. Specifications:

If Buyer provides specifications and designs to Seller for goods used in the Equipment and/or Services, Buyer shall indemnify and save Seller harmless for all claims, costs, expenses (including legal and professional fees) for any patent or property infringement claim, allegation or dispute or proceeding resulting from any compliance with such specifications and designs, and Seller shall not be responsible or liable for the accuracy or suitability of such designs or specifications, including the performance or utility of any such goods produced in conformity thereto. Seller's warranty shall be limited to materials and workmanship.

14. Express Warranties:

Seller warrants that the Equipment will be free from defects in materials and workmanship and will conform to applicable written specifications for a period of 12 months from the date of shipment. Seller's warranty shall be limited to repair or replacement of goods only, at Seller's option, and Seller's warranty shall specifically exclude normal wear and tear, the effects of corrosion, erosion, misuse, improper installation, maintenance or storage or any modification or attempted repair of the goods made by Buyer or any third party without Seller's prior written consent. In the event of a defect in materials or workmanship, Seller's sole liability for breach or other claims arising under this warranty for any reason, and Buyer's sole and exclusive remedy, shall be the repair or provide replacement of parts at Seller's option and expense.

15. Restricted Offer for Sale

Buyer acknowledges that Equipment sold by Seller is not intended for and will not be used in an application where product failure could lead to bodily injury, loss of life or catastrophic property damage. Seller has no specific knowledge and does not exercise any control over the manner in which Seller's Equipment is installed or used. Buyer shall indemnify and hold Seller harmless from any loss, damage or cost resulting from any breach of the provisions of this paragraph.

16. Limitation of Liability:

Notwithstanding any provision to the contrary, Seller shall not be liable for any indirect, consequential, incidental, special, punitive, exemplary or liquidated damages, and Seller's total and cumulative liability however arising in connection with the Equipment or Services shall not exceed the purchase price therefor and Buyer shall indemnify and hold Seller harmless for any liability in excess thereof.

17. Governing Laws:

This transaction shall be governed by the laws of the Province of British Columbia and the parties hereto have required and agreed that the documentation, propriety information and any notice be drawn up in the English language only.