

Offer validity 5 days from 9/20/22

SCO MINERAL CARBON Ref.: 20200814-0001

TO:

EMIL:

REF:/ SOFT CORPORATE OFFER LETTER - THERMAL COAL TYPE B. ACCORDING TO CHARACTERISTICS

We, _____ declare and represent, present soft sale proposal, and confirm that we are ready, willing, and able to sell the following product according to the specifications and in the quantity and for the price as specified in the terms and conditions established below: continuation. This representation is made with full corporate authority and responsibility of the seller named above. willing and able to enter into a contract for the sale of Thermal Coal Type B according to the terms and conditions established in this document.

Product: Type B THERMAL CARBON

Quality: LOW SULFUR

Product offer: minimum 36-month contract, maximum 60 months with extensions. Origin of the product: Colombia Quantity: 180,000 MT minimum Up to 360,000 MT per month or according to purchasing power.

Shipping conditions: FOB Puerto Bolívar, Puerto Brisa departing from La Guajira, or Other on the Colombian Atlantic Coast.

Unloading conditions: Port in charge of the buyer

PRICE /\$180 USD TNM PAYMENT: DLC (from one of the 25 main banks)

DELIVERIES: In partial shipments between 180,000/360,000-TNM + or - 10%, depending on the capacity of the vessels available for the transportation of coal FOB INCOTERM 2020.

PACKAGING: Bulk

FIRST SHIPMENT: 45 days, after signing the contract or agreement, verification of letter of credit and agreed amounts.

ORIGIN OF THE COAL: Type B thermal coal of Colombian origin.

INSPECTION: The seller will attach a certification from the entity SGS COLOMBIA, which will be the only one accepted by the BUYER, for each of the shipments. The BUYER will have a permanent inspector approving the product inspected by SGS, in dispatch yards.

CHARACTERISTICS OF TYPE B THERMAL COAL.

AVG		AVG	
Proximate Analysis, % wt		Mineral Analysis of ash	
Gross Heating Value		Silica SiO ₂	60.2
BTU/ Lb	11.000	Aluminum Al ₂ O ₃	20.1
Net Heating Value		Titanium TiO ₂	1.03
BTU / Lb	10.440	Iron Fe ₂ O ₃	8.3
Kcal/ Kg	5.800	Calcium CaO	2.3
Ash	8.7	Magnesium K ₂ O	2.2
Volatile Matter	32.5	Potassium K ₂ O	2.1
Total Moisture	14.5	Sodium Na ₂ O	0.6
Fixed Carbon	44.3	Sulphur SO ₃	2.2
Ultimate Analysis, % wt		Phosphorum P ₂ O ₅	0.22
Moisture	14.5	Undetermined	0.75
Carbon	62.6	Ash Fusion Temperatures	
Hydrogen	4.4	IDT Red. °C	1230
Nitrogen	1.23	ST Red. °C	1280
Chlorine	0.03	HT Red. °C	1340
Sulphur	0.63	FT Red. °C	1405
Ash	8.7	IDT Oxi. °C	1290
Oxygen	7.91	ST Oxi. °C	1340
		HT Oxi. °C	1410
		FT Oxi. °C	1470

SCOPE AND PURCHASE PROCEDURE INCOTERM FOB:

Our process Before starting the loading of coal in the train cars, a complete SGS laboratory analysis is carried out to determinethat the mineral meets the required quality.

The coal is crushed and shipped by rail, then transported through direct loading systems, which deposit the ore directly into theholds of coal ships.

OUR CONDITIONS OF SALE ARE THE FOLLOWING:

DELIVERY TIME FOB PORT OF BOLÍVAR: PUERTO BRISA, ANOTHER IN COSTA ATLANTICA, 45 calendar days, after signing the

contract and verifying the letter of credit, by our bank officer.

FOB PRICE INCOTERMS 2020.

PRICE: USD \$180/MT, FOB Puerto Bolívar / Puerto Brisa, Puerto Nuevo, (INCOTERMS 2020).

The above price will be adjusted according to the one in force in the international and national market and will be established by mutual agreement without affecting the economic performance of the parties. The price is based on 5750 Kcal/kg on a basis being the Argus Commodities benchmark.

PAYMENT OF CARBON WILL BE MADE 100% FOB PUERTO DE BOLÍVAR COLOMBIA, PUERTO BRISA, ANOTHER IN COSTA ATLANTICA.

METHOD OF PAYMENT: CONFIRMED AND IRREVOCABLE EXPORT LETTER OF CREDIT AT SIGHT, divisible, ISSUED BY FIRST LINE BANK.

OFFER VALIDITY: 5 days from today.

QUANTITY: 180,000 minimum tons per month, minimum 24-month contract.

DELIVERY PLACE: FOB PUERTO DE BOLÍVAR, Puerto Bolívar / Puerto Brisa, Puerto Nuevo, other Atlantic coast.

DURATION OF THE CONTRACT: minimum 24 months, extensions will be extended up to five years.

PROCEDURES:

OF THE BUYER, To

this offer, THE BUYER in the first instance must respond to the seller by this means its acceptance in all its content; in a LOI letter with their respective incorporated signature and cello, announcing their acceptance of the SOFT PURCHASE OFFER (LOI) No. 149 – 05-20-2022.

- The buyer returns and attaches to this soft offer (LOY) signed and sealed, attaching PDF (PROOF OF FUNDS, BANK CERTIFICATION, RWA LETTER, WITH ITS COORDINATES SO THAT THE BANK OFFICER CAN CONFIRM ITS TRUTH.
- Copy of final burner mandatory requirement. •
- Copy legal representation, no more than 30 days. • Copy of the Unique Tax Registry (RUT) •
- Copy of CC of the Manager, Executive Director, Legal Representative expanded to 75% • Copy of Passport. •
- Source of Funds Declaration signed by Legal Representative, or manager.

OF THE SELLER AND BUYER.

1. Seller Issues Full Corporate Offer (FCO), Buyer Approves.
 2. The seller issues the contract to the buyer for Review and signing of the final sales contract.
 3. The buyer sends the signed contract, together with the Purchase Order and the DRAFT LETTER OF CREDIT OF EXPORT CONFIRMED, IRREVOCABLE, TRANSFERABLE AT SIGHT AND DIVISIBLE.
 4. Seller approves letter of credit BCL L/C.
 5. SELLER sends the signed contract, the BUYER returns the signed and sealed contract, delivers and ATTACHES BLC L/C LETTER CREDIT, CONFIRMED EXPORT LETTER CREDIT, IRREVOCABLE, TRANSFERABLE AT SIGHT AND DIVISIBLE.
 6. Buyer issues CONFIRMED, IRREVOCABLE, DIVISIBLE SIGHT LETTER OF CREDIT, ISSUED BY THE FIRST LINE BANK. The transfer of coal to the port begins.
 7. Delivery time FOB Colombian port, 45 calendar days after signing the contract and verification of the letter of credit by our Banking officer.
 8. Once 100% of the carbon has been delivered, payment of 100% of the agreed value will be made.
-
1. THE SELLER is responsible for delivering the merchandise in FOB together with the certificate of origin, export expenses, loading maneuvers, permits, Knowledge, customs agents in Colombia, and the notice to the Buyer about the shipping times and the time estimate of arrival, in order to avoid delays and cost overruns in shipment.
 2. THE BUYER is responsible for receiving the ship at the port of arrival, unloading costs, import customs, costs for delay in unloading, cargo insurance, paying the price of the merchandise when it is on BOARD at the Port of load. of Colombia, Essential Requirement to allow the ship to leave, to have obtained import licenses or official authorization, to assume the risks of the main transport and the implicit authorization to the Carrier or Shipping Company so that once the merchandise has passed overboard the ship, the SELLER is given the certification on board together with the Bill of Lading and other documents to be delivered to the BANK so that it can proceed to the payment or payment of the letter of credit, as the case may be.
 3. PRICE CONTROL: Prices will be reviewed every three (3) months by agreement between the parties, upwards or downwards, according to market indices.

The seller

signature in original