

SCO - IRON ORE

SOFT CORPORATE OFFER

FROM:

TO:

WE, _____, with its principal offices at: _____, represented by _____ with full corporate and legal responsibility and authority, acting as the seller, hereby certify under penalty of perjury, that the commodity described herein is ready and available for delivery.

Commodity

IRON ORE

100,000 MT +- 10% (Ready now) Available per month:
200,000 (Two hundred thousand metric tons per month).

Fe:

62% onwards

Granulometry:

Powder to 70MM; Granulometry 80% / over 30 MM to 50MM, 20%

Contract:

Available: 12 months plus Rolls and extension. Available per month 400,000, MT.

Certificate of origin:

México

INCOTERM:

FOB

Destination Port:

/ CIF at clients request.

Payment:

SBLC (STAND BY LETTER OF CREDIT), for 100% of the total shipment.

Amount monthly:

(400,000 +- 10% MT shipment)

Certification:

CCIC OR INTERTEK or an International qualified/ Lab

Test: Quality and Quantity at loading port.

Loading Port

Lázaro Cárdenas, terminal # 3

Cargo to ship:

30 days after reception and approval of the SBLC by seller's financial institution.

Insurance

SPECIAL TERMS OF SALE:

A-For each 1% Fe content above 64 % the base price shall be increased by USD \$ 1.00 per dry metric ton. There will be a reduction at the rate of USD \$ 1.55 per dry metric ton for each 1% Fe content below 62%, fraction pro rata

.B-For the excess of phosphorous, there will be a deduction at the rate of USD \$ 0.10 per dry metric ton or fraction pro rata for each 0.01 %

.C-Seller shall pay to buyer the amount equal to the weight of Iron Ore freight attributable to moisture over 10%. The maximum acceptable is 12% (July to December) Mexico rainy season.

D-Seller production SPECIAL CONDITIONS: The product will be process from powder to maximum granular with a 30 MM diameter. There will be a 20% allowance for product over 70 MM, not to exceed diameter. if the product exceeds 5 MM, buyer has the right to refuse the shipment or negotiate the excess at a lower price.

MINIMUM PRODUCT TEST QUALITY

Variable	
<i>FeO</i>	12.81 %
<i>Hierro Total</i>	65.70 %
<i>SiO₂</i>	7.86 %
<i>Al₂O₃</i>	0.38 %
<i>S</i>	0.02 %
<i>P</i>	0.04 %
<i>CaO</i>	0.28 %
<i>MnO</i>	0.00 %
<i>PbO</i>	0.02 %
<i>MgO</i>	0.00 %
<i>ZnO</i>	0.00 %
<i>TiO₂</i>	0.00 %
<i>As</i>	0.00 %
<i>Cu</i>	0.05 %
<i>K₂O</i>	0.00 %

Offer details:

The price FOB per ton with the specifications presented is USD \$ 77.00 per metric ton. Terms FOB Lazaro Cardenas Port. Loading rate 20,000 MT per day.

Port congestion, any delay at the delivery port is for the client's account. Total loading time allowed 4 (four days).

The delivery will be performed in 100,000 MT +/- 10% per vessel. The port of origin has a maximum draft to allow the loading and safe departure of vessels with up to 100,000 MT of cargo. The port of loading (port of Export) Lazaro Cardenas, Mexico, terminal 3.

All cargo originates from the mines in the country of Mexico.

Chemical composition on Dry base.

FE: 62.00-64.00% PCT BASE (+/- 1.00%)

Refuse: FE: 60.00% PCT below

Al₂O₃: 3.00%, PCT., **MAX SiO₂:**

5.00 PCT. MAX

