

FairStar Resources Ltd

Standard Conditions of Appointment for Company to act as Contractor and/or Consultant

This purchase order for goods and or services is subject to the following conditions:

1. **Acknowledgement and Acceptance.** Acknowledge order and advise when shipment will be made if order does not specify same. By acceptance of this order, Seller agrees to comply with all conditions as stated in the order and to all legislation applicable thereto. No other terms and conditions shall be binding on FAS unless accepted by it in writing. Any acknowledgment term and conditions different from these shall not be binding on FAS and FAS hereby objects thereto.
2. **Cancellation.** FAS shall have the right at its option to cancel this order at any time, in which event any merchandise theretofore delivered to FAS shall be accepted and paid for by FAS in accordance with the terms hereof. Interruption of FAS business because of fire, flood, tempest, earthquake, war, Act of God, or because of strike, will give FAS the option of cancelling all undelivered orders herein. In addition, time is of the essence of this order. By written notice, FAS may terminate this order in whole or in part for default of Seller. Default may result if Seller fails to deliver the articles or perform the services within the time specified in this order, including extensions; if Seller fails to make progress so as to endanger performance of this order; if Seller fails to perform any of the other provisions of this order; or if Seller fails to replace or correct defective articles or re-perform services. Seller will be issued written notice and may have an opportunity to cure the problem(s) within ten (10) days. If terminated for default, Seller is liable for excess costs involved in FAS acquiring the articles or services terminated.
3. **Invoices.** Invoices shall specify the FAS purchase order number, item number, part number/description, size, quantity, unit price and extended totals. Freight, GST and other charge must be set out separately on the purchase order and invoice. FAS agrees to pay the invoices for services and supplies satisfactorily provided on or before the 30th day after the date of receipt of the Seller's duly rendered invoice.
4. **Discount Payments.** By paying your invoice before arrival or complete inspection of the merchandise at our final destination, we avail ourselves of the cash discount only and hold our account subject to adjustment for any shortage in quantity, failure to make specified delivery or rejection for any reason.
5. **Charges and Taxes.** No charge shall be made for cartons, wrapping, packing, boxing, crating, drayage or other costs, unless authority for such charge is expressly incorporated in this order. Except as otherwise provided in this order, price includes all applicable federal, state and local taxes and duties, other than Goods and Services or VAT taxes that must, by law, be added the purchase price.
6. **Prices/Price Warranty.** The prices to be charged for the articles ordered shall not be higher than those last quoted or charged by the Seller unless the price is specified on the face of this order. If this order is placed without prices, advise FAS of prices before making shipment. In the event of an increase in price from that shown on this order at time of shipping, Seller must receive written approval of FAS prior to making shipment. The Seller warrants that the prices stated herein represent currently established prices and are no higher than would be quoted to any other customer, either industrial or agencies of the Government, for similar articles or services in like grade or quality.
Prices are guaranteed against market decline until date of delivery. Acceptance of this order is a guarantee that the Seller agrees to deliver this merchandise at prices stated herein or at low market prices and any better terms and discounts prevailing at time of shipment if the market price declines. FAS shall have the right, by written notice to the Seller, to request an adjustment to the price of the merchandise covered hereby, and failure of the Seller and FAS to agree upon any requested change in price shall release Seller from its obligation to make deliveries hereunder and shall release FAS from its obligation to accept deliveries.
7. **Packing, Numbering and Rejection.** All articles shall be suitably packed or otherwise prepared for shipment to secure the lowest transportation and insurance rates, and to meet carrier's requirements. Packing sheets must accompany each shipment. Purchase order number and material part number must appear on all shipments, packing sheets, bills of lading, invoice and correspondence. All merchandise not fully up to standard and not in compliance with the specifications hereof, or shipped contrary to instructions, or in excess of the quantities herein provided, or substituted for merchandise herein described, or not shipped in containers conforming to FAS' specifications (or, in the absence of such specifications, in recognized standard containers), or allegedly violating any statute, ordinance or administrative order, rule or regulation, may be rejected by FAS and returned or held at Seller's expense and risk. FAS may charge to Seller all expense of unpacking, examining, repacking, storing and reshipping any merchandise as previously mentioned. Articles delivered to FAS more than thirty (30) days in advance of the schedule set forth herein may be returned at Seller's expense.
8. **Warranties.** The Seller warrants that the articles to be supplied under this order are fit and sufficient for the purpose intended, that they are merchantable, and of good quality in material and workmanship. The seller warrants that it has good title to the articles to be supplied and that they are free and clear of all liens or encumbrances. All warranties herein shall be construed as conditions as well as warranties. All warranties shall run to FAS. If this order is primarily for the provision of services, they will be performed with all due care, skill and diligence.
9. **Inspections, Rejections and Title.** All materials or articles ordered will be subject to final inspection and approval at final destination or other location of FAS. Such inspection shall be made within a reasonable time after delivery of the articles, irrespective of date of payment therefore, and any articles, which are not, then in every way satisfactory to FAS, may be rejected by them. FAS may hold any rejected articles for the direct disposal thereof. Title to the articles covered by this order shall pass to FAS upon formal acceptance, regardless of when or where FAS take physical possession.
10. **Verbal Orders.** This order may not be amended in any manner except in writing signed by authorized FAS personnel.

11. **Hold Harmless Agreement.** Nothing in this agreement shall construe the Seller or any of its employees or agents to be FAS employees, agents or representatives. Seller shall be an independent contractor and shall have responsibility for and control over the details and means for performing the work described herein. Seller shall be subject to the directions of FAS only with respect to the scope of work described herein. Seller assumes all liability for work to be performed and for breach of any of the terms in this order. Seller agrees to indemnify, hold harmless and defend FAS and any and all of its respective affiliates, directors, officers, agents or employees from and against all loss, injury, damage, and legal liability including attorneys' fees, and other costs of defence, arising out of any negligent act, error or omission of Seller, its employees or representatives. Seller assumes all liability for workers' compensation and employer's liability coverage of its own employees. Seller shall be responsible for and shall hold FAS harmless from loss or damage to Seller's or its subcontractors' construction tools and equipment and rented items which are used or intended for use in performing work, and for any consequential, special or indirect damages, or loss of anticipated profit sustained by Seller or its subcontractors, and shall indemnify FAS for loss of or damage to, where applicable, FAS' property intended to be incorporated into or used in the construction while in the Seller's care, custody, or control. Seller shall maintain and provide evidence of sufficient public, contractual, products, automobile, workers' compensation and professional liability insurance for this work in a form acceptable and satisfactory to FAS. Seller shall comply with all applicable laws and government regulations, including OSHA and comparable state requirements.
12. **Patent and Data Protection and Rights.** FAS does not grant or convey to Seller any of the following for use in the production, manufacture or design of any articles or materials for anyone other than FAS; any reproduction rights in or to the articles or materials called for hereunder or any right to use designs, drawings, or other information belonging to FAS or supplied by or on behalf of FAS for use in performance of this order. Seller agrees to protect and save harmless FAS, its employees, assigns and others, from all costs, expenses or damages arising out of actual or alleged patent, copyright, trademark or trade secrets infringements. Seller shall deliver to FAS full disclosures of all data and/or patents made or conceived in the course of performance of this order, whether made or conceived solely by Seller or jointly with others. Such disclosures shall be made or deemed to have been made with complete and exclusive grant to FAS of all rights, title and interest in and to all data and/or patents and Seller disclaims any property right in and claim to such data and/or patents. Any such data and/or patents are to be and remain the sole exclusive property of FAS, its assigns, or others claiming under FAS, whether or not such data and/or patents are patentable or copyrightable.
13. **Use/Assignment.** The articles contracted for herein are understood to be for the use of FAS and deliveries and shipments shall be made as directed by FAS in its absolute discretion; all articles contracted for may be subjected to further processes of manufacture, combined with any articles, or put to any use whatsoever, by FAS as it may elect; and in no event shall any claim for royalty or other additional compensation be made to the Seller, by reason of such manufacture, combination or use. This contract may not be assigned by the Seller unless prior written consent hereto is given by FAS. No assignment shall be binding on FAS until an assignment agreement is accepted and acknowledged in writing, and shall be subject to any proper deductions or set off against monies due.
14. **Changes.** FAS may at any time, by written order and without notice, make changes within the scope of this order. If any change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work herein or otherwise affects any other terms and conditions of this order, an equitable adjustment shall be made in the order price, delivery schedule, or both, after submission of Seller's proposal and appropriate negotiations and this order shall be modified accordingly. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse Seller from proceeding with this order as changed.
15. **Insolvency and Cancellation.** In the event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of the property of either party, or in the event of the breach of any of the terms hereof, including the warranties of the Seller, the other party shall be entitled to cancel this contract forthwith.
16. **Loss or Damage.** FAS will not be responsible for loss or damage of merchandise covered by this order while shipment is in the possession of carrier and until it is delivered to FAS' final destination.
17. **Classified Matters.** Seller agrees to be responsible in matters within its control for the safeguarding of all "Classified and Confidential" matters that may be disclosed or that may be discussed in connection with the work under this contract, it being understood that any failure to safeguard said "Classified and Confidential" matters or any failure to comply with Governmental regulations pertaining thereto, may subject Seller, its agents, employees and subcontractors to criminal liability under the laws of the country from where this order originated.
18. **Certifications.** Seller warrants no gratuities were offered by the Seller, or agent or representative of Seller, to an officer or employee of FAS with a view of securing an order or favourable treatment with respect to an award or making a determination with respect to the performance of an order.
19. **Stop-Work Order.** FAS may, at any time, by written order to the Seller, require Seller to stop all, or any part, of the work called for by this order, for a period not to exceed ninety (90) days or a time to be specified by FAS. A Stop-Work Order will be issued, and Seller agrees to comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by this order that has been stopped.
20. **Subcontracts.** If this order is primarily for furnishing services, no subcontract shall be made by Seller with any other party for furnishing all or substantially all of the work or services contracted for herein without the advance, written approval of FAS. However, this provision shall not be construed to require the approval of contracts of employment between Seller and personnel assigned for services hereunder. In no event shall any such approval by FAS be considered the establishment of any privity of contract between FAS and any subcontractor.
21. **Property.** Unless otherwise provided in this order, Seller assumes the risk of and shall be responsible for any loss, damage or destruction of FAS property, except for reasonable wear and tear, and except to the extent such property is consumed in the performance of this order. Any such property furnished to Seller, unless otherwise provided in this order, shall be used only for the performance of this order and shall be protected, managed, and controlled in accordance with good commercial practice, or as otherwise specified in this order. Seller shall return all property not consumed under this order, to FAS or its designee, in as good a condition as received, except for reasonable wear and tear.

22. **Disputes.** In the event that any dispute arising under or relating to this order cannot be resolved by settlement between the parties, either party may litigate any such dispute in any court of competent jurisdiction. Pending resolution of any such dispute by settlement or by final judgment, Seller shall proceed diligently with performance of this order and shall comply with FAS written instructions.
23. **Release of Information.** No release of any information, or confirmation or denial of same, with respect to this order or subject matter thereof, will be made without the prior coordination and express written approval of FAS. This includes but is not limited to advertisements, brochures, and the like.
24. **Hazardous Materials Notification.** Prior to providing any hazardous material, Seller shall provide FAS, with each shipment, appropriate Material Safety Data Sheets for each such material and will comply with all legal requirements as defined by law.

1/12/2010