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### **Model, informative only**

This is a general (standardized) procedure for the sale and purchase of raw minerals and factory metals from South Africa and neighboring countries. After receiving a specific LOI, the procedure will be limited to the requested product:

#### **COMMODITY:**

- 1) **Commodity:** IRON ORE, Coper Cathodes, Coal, Aluminium, Lithium ore, etc. etc.
- 2) **Quantity:** Depends on the Product
- 3) **Contract:** 12 months with rollovers and extensions
- 4) **Price FOB:** XX USD per MT. (It will be given as a response to the LOI)
- 5) **Delivery Terms:** FOB Saldanha Port, Durban, Richard Bay (South Africa)
- 6) **Product Specifications:** Latest Lab results to be provided by the Seller

#### **EXPLANATORY NOTE ON FOB/CIF SALE:**

South Africa sells under FOB conditions, but the **CIF Freight** to the destination chosen by the Buyer can be offered by AUSTRAL BUSINESS through our represented company, the Spanish logistics company "OLLOQUIEGUI" ([www.olloquiegui.eu](http://www.olloquiegui.eu))

#### **Procedure:**

- 1) Buyer sends LOI/ICPO
- 2) Seller receives and issues FCO including Sellers CIS details and price
- 3) Buyer signs, stamps/seal FCO and return FCO back to the Seller within 48 Hours.

- 4) The Buyer or Seller provides draft of the Documentary Letter of Credit (DLC) and Buyer provides Proof of Funds.
- 5) The Seller sends SPA and Buyer signs, stamps and seal the SPA is send to the Seller to sign, stamp and seal .
- 6) Buyer activates the Documentary Letter of Credit (DLC) to become operative and Seller issues the Performance Bond (PB) of 2%.
- 7) Shipments process commence immediately
- 8) Seller with then provide the shipping documents including SGS of quality and quantity at port of loading within the timeframe agreed upon in the SPA.
- 9) The Buyer will then make payment of the full cargo by issuing a MT103 and confirmed before the vessel leaves the port with cargo.

**Firmado/Signed**



**Rafael Mora Varona**