



# GENERAL PROCEDURES FOR THE PURCHASE OF RAW MATERIALS

—

Ed. 2024

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 detailed to the requested product.

## GENERAL SPECIFICATIONS

<b>Commodities</b>	Iron Ore Copper Cathodes Coal Anthracite Aluminum Lithium Ore Others
<b>Quantities</b>	TBD by the product
<b>Contract</b>	12 months with rollovers and extensions
<b>Price FOB<sup>1</sup></b>	Price to be given in USD per MT as a response to the LOI
<b>Delivery Terms</b>	FOB Saldanha Port, Durban, Richard Bay (South Africa)
<b>Product Specifications</b>	Latest Lab results to be provided by the Seller

## PROCEDURE

1. Buyer sends LOI/ICPO
2. Seller receives and issues FCO including Sellers CIS details and price
3. Buyer signs and seals FCO and returns 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 and stamps it.
6. Seller to sign and stamp the final version of the SPA.
7. Buyer activates the Documentary Letter of Credit (DLC) to become operative, and Seller issues the Performance Bond (PB) of 2%.
8. Shipment process commence immediately.
9. Seller to provide the shipping documents including SGS of quality and quantity at port of loading within the timeframe agreed in the SPA.

<sup>1</sup> South Africa sells under FOB conditions but CIF to the destination chosen by the Buyer could be offered by Austral Business through our logistic partner Soluciones Logísticas Continentales, SL (OLLOQUIEGUI).

10. The DLC (and subsequently the payment for the full cargo) will be performed of the full cargo before shipping.

Signed



Rafael Mora Varona  
*Founder & CEO of Austral Business*



THANKS