

PURCHASE ORDER TERMS AND CONDITIONS: GOODS AND/OR SERVICES

ACCEPTANCE: Delivery of material or performance of any services, or any part thereof, constitutes an acceptance of the entire order and its terms and conditions.

BILLING: Original Invoice to be submitted to Yukon Energy Corporation ("Corporation") as indicated on the front of the PO with PO number indicated.

CANCELLATION: The Corporation reserves the right to cancel this order on notice and without penalty, in whole or part, at any time, if:

- (a) The materials and services to be furnished are not provided in accordance with the schedule for the same forming part of this order.
- (b) The materials and services furnished, in the opinion of the purchaser, are of inferior quality and are not in accordance with the specifications herein or elsewhere contained.

CARRIER: The Corporation shall have the right to designate the carrier over which materials shall be routed providing this shall not entail additional cost to the Supplier when freight charges are the Corporation's responsibility.

CHANGES: No agreement or other understanding in any way modifying any part of this order including its conditions will be binding upon the Purchaser unless made in writing and signed by its authorized representative.

GST: Supplier's GST registration number must be shown on all invoices and the amount of GST shown separately.

LEGALITY: All work and materials furnished shall comply in every respect with all Federal and Territorial laws and municipal codes, ordinances and regulations relating hereto. Notwithstanding the foregoing if any statute in force in the Yukon Territory creates a more extended liability for faulty materials or workmanship, the provisions of such state shall apply.

PAYMENT: It is mutually agreed between the parties hereto that no certificate given or payment made under a subsequent Purchase Order/Agreement, except for the final certificate of payment, shall be conclusive evidence of the performance of the purchase agreement, either wholly or in part, and that no payment shall be construed to be acceptance of defective work or improper materials. Further to this:

- (a) Unless otherwise stated, all monies payable by the Corporation shall be in Canadian Funds.
- (b) Unless otherwise stated and provided all terms and conditions have been met, invoice payment shall be Net thirty (30) Days from receipt of the invoice or after receipt of the goods, whichever is later.

QUALITY CONDITIONS:

- (a) Material purchased is subject to Corporation's inspection. If materials are rejected they may be returned to the Supplier at their risk and expense.
- (b) Equipment supplied by the Supplier which in the opinion of the purchaser fails to perform in accordance with the specifications applicable thereto shall be subject to replacement with acceptable equipment at the sole cost and expense of the Supplier.
- (c) By accepting this order, the Supplier hereby guarantees that the materials or services furnished shall be in accordance with the specifications herein or elsewhere contained and applicable thereto and that such guarantee shall survive acceptance and payment for the materials and services.

INSURANCE: The Supplier must, provide Proof of Comprehensive General Liability Insurance covering bodily injuries and property damage and including the Contractor's premises, property (including unlicensed motor vehicles); and non-owned automobile liability. The minimum insurance limit shall be \$2,000,000 inclusive of bodily injuries and property damage. A copy of the policy shall be furnished to the Company upon request of the Corporation. Any deductible amounts due shall be borne by the Contractor.

WORKERS' COMPENSATION REQUIREMENTS FOR CONTRACTORS REGISTERED

OUTSIDE THE YUKON: If the Contractor is to perform any work on the Corporation's site including but not limited to delivery, assembly, installation and/or unloading of deliverables, Contractor shall within ten (10) days of the award of a Contract and before commencing work on site, and at any time on the request of the Corporation, provide evidence of certification by the applicable Workers' Compensation Board(s) ("WCB"), including but not limited to:

- an account number and/or certificate from WCB to confirm coverage by the Contractor's and any subcontractor's home province;

- a statement from WCB that the Contractor and any subcontractors are registered and in good standing in their home province;
- Confirmation that all persons performing the Work who are not covered by the Workers Compensation Act are covered under personal optional protection coverage available through WCB.

REQUIREMENTS FOR CONTRACTORS PERFORMING WORK IN THE YUKON: If the Contractor is to perform any work on the Corporation's site including but not limited to delivery, assembly, installation and/or unloading of deliverables, Contractor shall within ten (10) days of the award of a Contract and before commencing work on site, and at any time on the request of the Corporation, provide evidence of certification by the Yukon Workers' Compensation Health and Safety Board ("YWCHSB"), including but not limited to:

- if the Contractor will be performing work on the Corporation's site that does not exceed ten (10) days per year, a statement from the YWCHSB that the Contractor is registered with the YWCHSB;
- if the Contractor will be performing work on the Corporation's site that exceeds ten (10) days per year, a statement and/or certificate from the YWCHSB that the Contractor and all subcontractors are registered and in good standing, and that all workers performing the Work are covered by the Contractor's or subcontractor's workers' compensation through the YWCHSB;
- confirmation that all persons performing the Work who are not covered by the YWCHSB are covered under personal optional protection coverage available through YWCHSB.

RESPONSIBILITY: The Contractor shall be responsible for the safe performance of all the Work and the safety of all persons engaged in the Work and shall comply with all applicable safety provisions of the applicable Workers' Compensation Board(s) and safety regulations issued by the Corporation for the Work site.

TERMINATION: The Corporation may terminate the Contract for reasonable cause by giving notice in writing to the Contractor to that effect. The Corporation's obligation to make payment to the Contractor shall cease when payment for work satisfactorily performed has been made.

The Corporation will provide (90) days prior written notice on the event of a termination without penalty.

The Corporation shall be relieved of any further obligation hereunder, except for payment for the balance outstanding for the work performed by the Contractor up to the time of termination. In addition, the Corporation may immediately terminate the Contract upon the occurrence of any of the following:

- (a) Where the Contractor, despite notice thereof, persists in rendering services unacceptable to the Corporation and/or
- (b) Where the Contractor becomes insolvent, partner or merge with another firm(s), and/or change their business models, the Corporation, at its sole discretion may, with notice in writing, remove said firm(s).

DEFICIENCIES: Prior to the commencement of the Warranties and Guarantees referred to herein, the Contractor shall be responsible to:

- (a) Remove and replace or modify all or any part of the deliverables which, in the sole opinion of the Corporation, is not fit for the purpose for which it is intended or is not in accordance with the Contract, in order to make it fit for the purpose for which it is intended or to make it in accordance with the Contract; and
- (b) Remove, including disposal and storage, of any unsatisfactory deliverables.

Upon receiving written notice of a deficiency from the Corporation, the Contractor shall immediately take all reasonable steps required to remedy the deficiency within the time specified in the Corporation's notice.

The Corporation shall advise the Contractor of any limitations to the period of time when the delivery point is accessible for the Contractor to perform the remedial work, and the Contractor will work within those time limitations.

The Corporation's rights identified in Inspection and Testing shall apply to any and all remedial work performed by the Contractor.

Where the Contractor does not meet its obligations herein within the time specified in the Corporation's notice, the Corporation may retain another contractor to complete and remedy any deficiencies referred to herein and all costs incurred by the Corporation in remedying such deficiencies shall be the responsibility of the Contractor.

WARRANTY AND GUARANTEE: The Contractor warrants and guarantees that the deliverables are free from all defects from faulty materials or workmanship which appear within the period specified in the Contract documents, or if no such period is specified, then the later of:

- (a) Twelve (12) months from the date total performance; or

- (b) Eighteen (18) months from the date of delivery of the deliverables to the specified delivery point(s);
- (c) Or such other date as specified in the Contract documents.

The Contractor shall, at its own expense, upon receiving written notice from the Corporation, remedy immediately and to the satisfaction of the Corporation, any defect in or deficiency to the deliverables and any other work arising from that defect, deficiency or unsatisfactory deliverables.

The Corporation shall provide the Contractor with access, at all reasonable times, to the location of any defective, deficient or unsatisfactory deliverables to enable the Contractor to perform the remedial work and the Contractor shall be responsible for:

- (a) Exposure of the defect, deficiency or unsatisfactory deliverables in order to perform the remedial work;
- (b) The restoration of the deliverables disturbed or damaged in the course of exposing the defect, deficiency or unsatisfactory deliverables, and in performing the remedial work; and
- (c) Any and all risks and costs associated with exposing the defect, deficiency, or unsatisfactory deliverables and performing the remedial work.

The Contractor warrants and guarantees that all remedial work is free from defects to the same extent provided herein, except that the warranty period shall commence on the date that the Corporation provides to the Contractor written acceptance of the remedial work performed by the Contractor, The Contractor's obligations under this general condition shall not be affected by the completion or termination of the Contract, suspension or withdrawal of the Contract, or rejection of the deliverables under the Contract.

REMOVE DEBRIS: The Contractor shall remove from the premises, from time to time and as directed by the Corporation, all building rubbish or debris resulting from the Work.

ACCESS TO WORK: The Contractor shall permit the Corporation or its representatives to have access to the Work at all times during the execution of the Work and shall cooperate fully with other contractors or workers sent to the place of the Work by the Corporation.

FORCE MAJEURE (ACT OF GOD): Neither party shall be responsible for any delay or failure to perform its obligations under this Contract where such delay is due to fire, flood, explosion, war, embargo, government action, act of public authority, act of god or to any other cause beyond its control, except labour disruption.

In the event Force Majeure occurs, the party who is delayed or fails to perform shall give prompt notice to the other party and shall take all reasonable steps to eliminate the cause.

Should the Force Majeure event last longer than thirty (30) days, the Corporation may terminate this Contract by notice to the Contractor without further liability, expense or cost of any kind.

CO-OPERATION AND MAKING GOOD: The Contractor shall perform the Work with minimum disturbance to personnel and the public and ensure that the health and safety of persons occupying adjacent or contiguous parts of any buildings or properties and shall ensure that the Work is protected. The Contractor shall obtain the approval of the Corporation for the hours during which the Work will be performed and shall provide a work schedule for approval of the Corporation. The Contractor shall repair and make good all parts of any property, including any buildings that may be affected by the Work. All work shall be equal in kind, quality and finish to that of the existing work, if any. If the Work affects occupied portions of a building, the Contractor shall ensure continuity of building services and necessary access for personnel and vehicles. If the Work is conducted adjacent to a road or highway, the Contractor shall ensure that adequate safety measures are employed to direct traffic and maintain continuity in the public's use of the roadway or highway.

PROPERTY OF THE CORPORATION: The Contractor shall be liable to the Corporation for any loss or damage to any property of the Corporation arising out of the performance of the Work whether or not such loss arises from causes beyond the Contractor's control.

DRAWINGS All Engineering drawing and mapping products provided to the Corporation as part of this contract (and any modifications to them), shall be provided in all of the following formats:

- (a) Hard copy paper;
- (b) pdf format;
- (c) Either station (.dgn) or Autocad (.dwg or .dxf) format. These drawings are to be provided on the title blocks provided by the Corporation,
- (d) The original source file format (where the originating file differs from those noted above in item c).

All mapping products shall be in the UTM coordinate system, NAD 83 datum, unless otherwise requested. The Consultant shall check and ensure that all formats use versions consistent with those used by the Corporation.

After the Contractor's drawings have been accepted by the Corporation, the Corporation may use any or all of the drawings including but not limited to the design, method of fabrication and arrangement of the Work for its own use in the installation, construction, maintenance, repair, operation and replacement of any or all of the Work, including to complete the Work as permitted under the Contract or for any other purpose at the Corporation's sole discretion. All drawings prepared by the Contractor will remain the property of the Corporation and the Corporation will retain all copyrights for fifty (50) years. The Contractor may retain one copy of such documents for its records.

Without in any way limiting the foregoing, the Corporation, at its sole discretion, may allow third parties to have access to and use any or all of the drawings, including the design, method of fabrication and arrangement of the Work, for the installation, construction, maintenance, repair, operation and replacement of any or all of the Work for the Corporation, including as part of procurement processes for such installation, construction, maintenance, repair, operation or replacement.

The Corporation may use the Documents for any other purposes and the Corporation and Vendor shall agree on the fees for any Services necessary to properly revise the Documents for such use. If the Corporation and Vendor are unable to reach such an agreement the Corporation may retain another Contractor/Consultant for the purpose of revising the Documents for such alteration, addition or deletion, as it deems fit.

The Documents referred to above include Documents prepared by Sub-consultant(s) as the Corporation shall indemnify and save harmless the Contractor/Consultant and Sub-consultant(s) from and against any costs, damages, actions, suits or proceedings arising out of any modification or revision of the plans, sketches, drawings, graphic representations and specifications made pursuant to this section made by the Corporation other than by the Consultant or the Sub-consultant(s).

Submission or distribution of the Documents to meet official regulatory requirements or for other purposes in connection with the Corporation's requirements in accordance with this Contract will not be construed as publication in disparagement of the Corporation's rights.

WORKERS: All workers shall be competent and qualified to do the Work. The Contractor shall be responsible for all assessments, returns, remittances, and deductions in respect of the Contractor's workers under the Workers' Compensation Act (Yukon) Unemployment insurance Act, Income Tax Act and Canada Pension Plan.

INDEMNIFICATION: The Contractor shall indemnify and save harmless the Corporation from and against all claims, damages, costs, expenses, actions and suits caused by or arising out of or in connection with, whether directly or indirectly, the carrying out of the Work or by reason of any matter or thing done, permitted or omitted to be done by the Contractor, Sub-contractors or their agents or employees and whether occasioned by the negligence of the Contractor, Sub-contractors or their agents or employees.

The Corporation shall indemnify and save harmless the Contractor from and against all claims, damages, costs, expenses, actions and suits caused by or arising out of or in connection with, whether directly or indirectly, the carrying out of the Work or by reason of any matter or thing done, permitted or omitted to be done by the Corporation, or their agents or employees and whether occasioned by the negligence of the Corporation or their agents or employees.

EXECUTION OF THE WORK: The Contractor shall for the stated Contract Price furnish all necessary labour, materials, tools and equipment and shall carry out in a careful and workmanlike manner and to the satisfaction of the Corporation, the work set out under "Description of the Work" and more particularly described in the drawings and specifications when applicable (the "Work"). All materials used in the execution of the Work must be new and of the best quality and installed or applied in accordance with manufacturer specifications.

CHANGES: Changes to the Work shall only be made on receipt of written instructions from the Corporation. Any resulting adjustment to the Contract Price shall be agreed upon by the Corporation and the Contractor and will represent the reasonable and proper costs incurred by or savings accruing to the Contractor.

DELAY: No payment shall be made or extension of the date for Total Performance of the Work given to the Contractor for delay encountered during the execution of the Work unless such delay was due to causes beyond the control of the Contractor.

SUSPENSION OF WORK: In the event that the Work is suspended, the Contractor shall arrange for protection of the Work as directed by the Corporation, The Contractor will be reimbursed for reasonable and proper expenses incurred in protecting the Work