



TO: End Buyer, Buyer Mandate

Our Ref: fgmc/49432-D397

**We hereby issue this Offer with given terms and conditions as stated in this offer to confirm our readiness to execute a Sales and Purchase Agreement with end buyer, with the ability to supply the following commodity according to the terms and conditions as below.**

1) HEMATITE IRON ORE 64.5%

COMMODITY: Iron Ore 64.5 Fe (can be blended to any specification 63.0+ Fe) ORIGIN: Mexico

Loading Port: Guaymas

QUANTITY: Min. 100,000 MT/month - Max. 1,000,000+ MT/month

MOQ: 100,000 MT/month X 12 months

MAX: 1,000,000+ MT/month

CIP PRICE: PLATTS 62% + 10\$ (because Fe 64,5%) -10%

PRICE: (PLATTS 62% + \$10) -10%

BUYER SIDE: \$ 1.5/MT (You and all in buyer side)

This offering Fe 64.5%. As of today, the seller will charge \$4 per point of Fe above. That is, if there is

2.5% of Fe above, then there is an increase of \$10 dollars in the price equivalent to \$4 per point of Fe.

FIXED PRICE OPTIONS

CIP ASWP: \$135/MT including commission of \$1.5/MT.

2) HEMATITE IRON ORE 62% CIP ASWP

PRICE Fe 62%: PLATTS 62 less 10% (discount).

Discount of 5% if PLATTS below USD 110.00/MT

Discount of 6% if PLATTS between USD 110.00 and USD 120.00/MT

Discount of 7.5% if PLATTS above USD 120.00/MT

availability of iron ore from Lázaro Cárdenas Michoacán Port, Mexico

QUANTITY: 100,000 MT +/-10% (in Sellers option) per month for 12 months of 62% Fe content with rejection below 60% with low alumina of Mexican origin Iron ore

The selling group has 16 mines, some in production and others in research, each mine in production with the capacity to supply 250,000 MT/month. The mining company has crushers and equipment

that allow the control of specific quantities to mix large volumes of ore, since each mine has a different specification.

### **Procedure as below..**

STEP 1. Buyer issues a ICPO or ICPO with Company Profile and End Buyer Passport Copy and BANKING COORDINATES including SOFT PROBE AUTHORIZATION + CIS/KYC + IMPORT LICENSE + Company's registration Copy + COMPANY PROFILE + CONSULTANT GENEALOGY FORM + NCND with company representative passport or ID.

- a. ICPO +
- b. COMPANY REGISTRATION COPY +
- c. CIS/KYC +
- d. COMPANY PROFILE +
- e. NCND +
- f. CONSULTANT GENEALOGY +
- g. IMPORT LICENSE +

\* ICPO to Seller Company through intermediary company Bordallo Construtora Ltda.

\* ICPO in buyer letterhead including buyer Company Profile, buyer Passport Copy and Banking Coordinates with SOFT PROBE AUTHORIZATION.

\* Sellers procedure needs to be inserted in the ICPO.

STEP 2. The Seller sends a FCO.

STEP 3. The Buyer returns the FCO signed and sealed, accepting price and sale terms, and send to the Seller + POF (BCL or RWA).

STEP 4. The Seller issues Draft Contract

STEP 5. The Buyer reviews, signs and returns the contract to the Seller dully, signed and Sealed, in a maximum time of three (3) days.

STEP 6. The Seller sign the contract and return to the Buyer,

STEP 7. The Seller will issue a Proforma Invoice for total amount of one month's cost to the Buyer with the conditions of sale,

STEP 8. The Buyer will issue 100% IRREVOCABLE, NON-TRANSFERABLE, CONFIRMED, REVOLVING DLC OR SBLC 100% AT SIGHT, RELEASED AT LOADING PORT AGAINST SHIPMENT DOCUMENTS.

STEP 9. Loading procedure will start in 20/35 days.

### **Specification #2**

**SPECIFICATIONS Fe 64.5%:**

**A. Chemical Composition (on dry basis, percentage by weight)**

Fe	64.50% basis, 63.5% below rejection
SiO <sub>2</sub>	1.9% Max
TiO <sub>2</sub>	0.022% Max
Al <sub>2</sub> O <sub>3</sub>	0.06% Max
MnO	0.011% Max
MgO	0.365% Max
Na <sub>2</sub> O	0.025% Max
K <sub>2</sub> O	0.01% Max
P <sub>2</sub> O <sub>5</sub>	0.04% Max
P	0.0011% Max
S	0.001% Max
CaO	0.085% Max

**B. Moisture Content (Free moisture loss at 105 degrees centigrade)**

Guaranteed Maximum 8.00% Max

**C. Physical Specification (Natural Basis): 10 mm nominal**

Fines: or as agreed to in the contract

**Guaranteed Below 10 mm- 90% min. as a load basis set by Seller.**

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Pls feel free to contact us for further discussion

Sincerely

Fugo Materials