



Invitation for
expressions of interest
to purchase
Hardwood Log Timber

harvested from Mining Lease 7024
Cape York, Queensland

2019-20

Issued: 17 September 2019

Closing at 5pm on 18 October 2019



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Executive summary

Wik Timber Operations Pty Ltd (ABN 54 625 117 071) is offering for sale Hardwood Log Timber harvested from Mining Lease 7024, south of the Embley River and north of the township of Aurukun on western Cape York, Queensland. This invitation provides details of the Hardwood Log Timber being offered for sale.

Note that this Hardwood Log Timber will be cut, snigged and loaded by Wik Timber. This Hardwood Log Timber will be sold and:

- loaded on to each successful Proponent's barge at the landing adjacent to the log yard operated by Wik Timber at Hey Point, located on Hey River within the Port of Weipa;
- transported to and loaded on to each successful Proponent's trucks at the log yard operated by Wik Timber at the Port of Cairns; or
- transported to and delivered to each successful Proponent's sawmill (or other specified log storage area),

depending on which option is selected by the Proponent and accepted by Wik Timber.

Prospective Proponents are advised that the conduct of the selection process as a result of this Invitation is not intended to give rise to any legal or equitable relations. No contractual relationship will arise unless and until a Sale Agreement is signed by both parties. Prospective Proponents are further advised that they are responsible for their own risk and expenses associated with their responses to this Invitation.

This document provides information about the resource and purchasing requirements to assist in the preparation of a Proposal to Purchase.

Glossary and interpretation

Act	The <i>Forestry Act 1959</i> (Qld)
Cairns Port Log Yard	The log yard operated by Wik Timber at the Port of Cairns in Queensland
Commencement Date	The commencement date of sales under the Sale Agreement
Completion Date	31 December 2020
Contact Person	The person nominated as such in this Invitation
Delivery Point	The place at which Hardwood Log Timber is to be delivered by Wik Timber under the Sale Agreement, being either: <ul style="list-style-type: none">• the Purchaser's barge at the Hey Point Barge Landing;• the Purchaser's truck at the Cairns Port Log Yard; or• the Purchaser's Log Yard
Hardwood Log Timber	Sawlogs or sawlog sections harvested by or for Wik Timber which meet the Utilisation Standards
Hey Point Barge Landing	The barge landing adjacent to the Hey Point Log Yard
Hey Point Log Yard	The log yard operated by Wik Timber at Hey Point, located on Hey River within the Port of Weipa in Queensland
Invitation	This document
Proponent	A person who submits a Proposal to Purchase
Proposal to Purchase	A proposal submitted to Wik Timber in response to this Invitation
Proposal to Purchase Form	The proposal to purchase form attached as appendix 2 to this Invitation
Purchaser	The purchaser of Hardwood Log Timber under the Sale Agreement and, where relevant, its employees, contractors and related entities
Purchaser's Log Yard	The log yard or other storage facility nominated as such in the Purchaser's Proposal to Purchase
Sale Agreement	An agreement for the sale and purchase of Hardwood Log Timber entered into as a result of this Invitation
Sale Quantity	The total quantity of Hardwood Log Timber allocated to a Purchaser as detailed in the relevant Sale Agreement
Timber Transport Plan	A document prepared by the Purchaser and approved by Wik Timber specifying the arrangements for transport of Hardwood Log Timber from the Delivery Point and co-ordination of those

	arrangements with other operations and activities at the Delivery Point
Utilisation Standard	The standards set out in schedule 1 to the draft Sale Agreement which is appendix 4 to this Invitation
Value	The amount in Australian dollars payable by the Purchaser for each tonne of Hardwood Log Timber, excluding goods and services tax
Wik Timber	Wik Timber Operations Pty Ltd (ABN 54 625 117 071) and, where relevant, its employees, contractors and related entities

In this Invitation:

- the singular includes the plural and *vice versa*;
- if a word or expression is defined in the above glossary, other parts of speech or grammatical forms of the same word or expression have corresponding meanings;
- a reference to a person includes a company, association, corporation or other body corporate, or a partnership or any government or Commonwealth, state or local government authority, department or body;
- the word 'includes' or 'including' (and like words and expressions) is not to be construed as a limitation;
- Australian dollars, dollars, A\$ or \$ is a reference to Australian currency; and
- a reference to a document (including this Invitation) includes any attachment, form, schedule or appendix referred to as attached to it or as provided as part of it.

Invitation

General

The State of Queensland has issued Wik Timber Holdings Pty Ltd a long-term sales permit under the Act to allow harvesting of Hardwood Log Timber on areas from which bauxite is proposed to be mined south of the Embley River and north of the township of Aurukun on western Cape York. These areas are part of the traditional country of the Wik Waya people. A location map is in appendix 1.

Wik Timber is a member of the Wik Development Group, which was formed for the benefit of Wik and Wik Waya traditional owners. Wik Timber is pleased to be able to bring Hardwood Log Timber harvested from the bauxite mining lease areas on Wik Waya country to the market.

Having regard to the field data and other resources information and in the absence of any intervening *force majeure*, Wik Timber expects to have in total up to 30,000 tonnes of Hardwood Log Timber available for sale by the Completion Date. It is intended that, as a result of this Invitation, Wik Timber will offer a Sale Agreement to each successful Proponent for the sale and purchase of part or all of that quantity during the period ending on that date. However, Wik Timber reserves the right, in its absolute discretion, not to offer any Sale Agreement or to offer one or more Sale Agreements for less than that quantity. Wik Timber also reserves the right in its absolute discretion to cancel, vary, supplement or supersede the Invitation and selection process at any time, whether before, on or after the closing date, to accept any late and/or otherwise non-conforming proposal, and to sell Hardwood Log Timber to any person before, on or after the closing date of this Invitation irrespective of whether that person has submitted a Proposal to Purchase.

This Invitation is not to be construed as an offer for the sale of Hardwood Log Timber. Nothing in this Invitation is to be construed as to give rise to any contractual obligations, express or implied. Any correspondence or communication with a Proponent does not constitute an agreement unless and until a Sale Agreement is signed by both parties.

While Wik Timber has taken care in preparing this Invitation and assessing the field data and other resource information available, Wik Timber will not be liable for any errors, omissions or variations to, information in this Invitation or supplied to a Proponent.

Value, timing, Sale Quantity and Point of Delivery

Proponents are invited to nominate in their Proposals to Purchase:

- the Sale Quantity they propose to purchase prior to the Completion Date;
- the quantity of Hardwood Log Timber they propose to purchase in each calendar month prior to the Completion Date, noting that no quantity is to be nominated for January, February or March (due to harvesting being constrained by the wet season); and

- the Value they propose with reference to each Delivery Point.

Proponents must nominate a Value for at least one Delivery Point. Wik Timber may select any of the Delivery Points for which a Value has been nominated.

Each Value proposed should take into account the cost of cutting, snigging, loading and (where relevant) haulage, transportation and unloading of the Hardwood Log Timber having regard to the location of the Delivery Point.

Proponents may nominate in their Proposal to Purchase a minimum Sale Quantity and minimum monthly quantities of Hardwood Log Timber below which they do not wish to proceed with their offer.

Nature of resource

The native eucalypt forests of the bauxite plateau of the western Cape York, between the Embley River and the township of Aurukun, are among the few remaining substantial hardwood timber resources available for harvesting in Australia.

Three species are common in the area – Darwin Stringybark (*Eucalyptus tetradonta*), Cooktown Ironwood (*Erythrophleum chlorostachys*) and Melville Island Bloodwood (*Corymbia nesophila*). They are some of the hardest, densest and most durable timbers in the world. Uses include engineering (bridge construction and mining timbers, sleepers, poles, piles and cross arms), construction (heavy structural, flooring, decking, shipbuilding), decorative (furniture, joinery, inlay work) and others (implements, handles). More information about these species is in appendix 3.

Proponents should satisfy themselves in respect to quantity, quality, mix of species and other matters pertaining to the resource the subject of this Invitation and the transportation of Hardwood Log Timber from each Delivery Point. No guarantee is given as to the quantities of Hardwood Log Timber available, or the ability of a Purchaser to transport Hardwood Log Timber with a barge or truck of any size, type or configuration. Proponents wishing to inspect the resource, the Hey Point Barge Landing or the Cairns Log Yard should contact the Contact Person as soon as possible to determine what arrangements can be made. Proponents seeking the contact details of a local barge operator should also contact the Contact Person as soon as possible to obtain those details.

The Purchaser must purchase logs that meet the Utilisation Standard, including any mixture of:

- the species referred to above; and
- log dimensions.

Wik Timber will however endeavour to provide a mix of Hardwood Log Timber of different species and varying dimensions, maximising average log length, within the parameters of the Utilisation Standard and the forest resources reasonably available to it. Proponents should note that, at best, limited quantities of Cooktown Ironwood will be available.

Wik Timber will determine the quantity of Hardwood Log Timber supplied to the Purchaser using loader scales. The amount payable will be calculated using that determined quantity.

Timber Transport Plan

The Purchaser will be required to comply with its Timber Transport Plan and ensure that Hardwood Log Timber is promptly removed from the Delivery Point. If the Delivery Point is the Purchaser's Log Yard, the Purchaser will ensure that Wik Timber has access at all reasonable times to that yard and that the Purchaser promptly unloads all Hardwood Log Timber delivered to that yard.

Sale Agreement

Successful Proponents will be offered a Sale Agreement, a draft of which is appendix 4 to this Invitation. Attention is drawn to the provisions of the draft Sale Agreement which require:

- provision of financial security for the Purchaser's obligations; and
- payment by the Purchaser in advance for each nominated monthly quantity of Hardwood Log Timber to be supplied.

Contact Person

Any Proponent seeking information not contained in this Invitation should contact the following Contact Person:

Ms Gina Castelain
Group Managing Director
Wik Development Group
PO Box 1156
Cairns North Qld 4870
Mobile: 0408 423 167
Email: GCastelain@wikprojects.com.au
Telephone: (07) 4031 6472
Facsimile: (07) 4051 1630
Website: www.wiktimmer.com.au

Closing date and lodgment

The closing date for Proposals to Purchase is:

5 pm on 18 October 2019

Your completed Proposal to Purchase should be sent:

by post to:

The Managing Director
Wik Timber Operations Pty Ltd
PO Box 1156
Cairns North Qld 4870

or delivered to:

The Managing Director
Wik Timber Operations Pty Ltd
1st Floor, 212 McLeod St
North Cairns Qld 4870

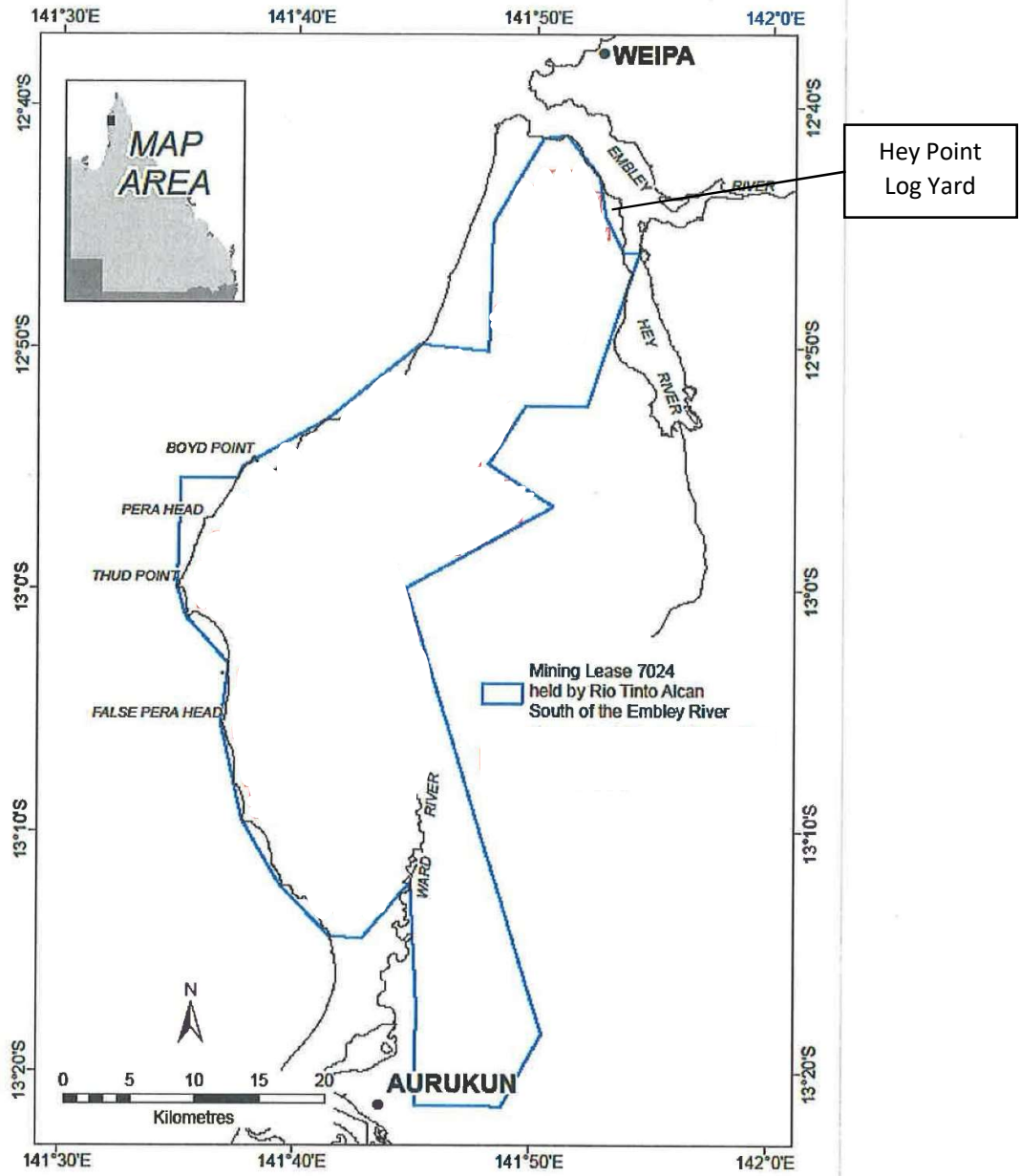
or sent by email to:

OfficeAdmin@wikprojects.com.au

A Proposal to Purchase **should be on the attached Proposal to Purchase Form**, with any supporting documents described on that form. Proponents are advised to address all of the points in the Proposal to Purchase Form (except where they are marked as 'optional'). Additional Proposal to Purchase Forms are available from the Contact Person, as are electronic copies of that form.

Wik Timber reserves the right to enter into arrangements with purchasers before, on or after the closing date of this Invitation and irrespective of whether or not a Proposal to Purchase has been submitted.

Appendix 1 – location map



Appendix 2 – Proposal to Purchase Form

Proposal to purchase Hardwood Log Timber

Proponents should address to the extent possible all of the points in this Proposal to Purchase Form. Proponents may submit supporting information with this form if they consider it will assist Wik Timber in understanding and assessing their Proposal to Purchase.

Words and expressions defined in the glossary to the Invitation have the same meaning when used in this form.

DETAILS OF THE PROPONENT

Name	
ABN	
Address	
Telephone	
Facsimile	
Email	
Contact person (name and position)	
Address of Purchaser's Log Yard (if applicable)	

CONFIRMATION OF ABILITY TO PERFORM

The Proponent confirms that it has the ability (including arrangements for transportation of Hardwood Log Timber from the Delivery Point) to commence consistent purchasing of Hardwood Log Timber from the beginning of the first calendar month against which it has specified a quantity in the 'Quantity Sought' table below.

VALUE OFFERED

The Purchaser offers to purchase Hardwood Log Timber at the Values specified below:

<i>Delivery Point</i>	<i>Value (AUD)*</i>
Hey Point Barge Landing	
Cairns Port Log Yard	
Purchaser's Log Yard	

* *These Values are to be expressed in Australian dollars per tonne, exclusive of goods and services tax. Insert 'n/a' if not offering to purchase at that Delivery Point*

QUANTITY SOUGHT

The Purchaser offers to purchase up to the following quantities (in tonnes) of Hardwood Log Timber.

<i>Year</i>	<i>Calendar Month</i>									<i>Total</i>
	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	
2019	n/a	n/a	n/a	n/a	n/a	n/a	t	t	t	t
2020	t	t	t	t	t	t	t	t	t	t
Proposed Sale Quantity										t

MINIMUM QUANTITY (OPTIONAL)

The Purchaser does not wish to purchase less than the following quantities (in tonnes) of Hardwood Log Timber.

<i>Calendar Month</i>										
<i>Year</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
2019	n/a	n/a	n/a	n/a	n/a	n/a	t	t	t	t
2020	t	t	t	t	t	t	t	t	t	t
Minimum Sale Quantity										t

ATTACHMENTS

All (if any) attachments to this Proposal to Purchase are listed below.

<i>Attachment number</i>	<i>Attachment name</i>	<i>Number of pages</i>
1		
2		
3		
4		
5		
6		

ACCEPTANCE OF TERMS AND CONDITIONS

The Purchaser accepts the terms and conditions of the draft Timber Sales Agreement which is appendix 3 to the Invitation, subject only to the following changes (if any):

EXECUTION

This Proposal to Purchase is submitted by the Proponent in response to the Invitation for Expressions of Interest to Purchase Hardwood Log Timber issued by Wik Timber Operations Pty Ltd with an issue date of 17 September 2019 (**Invitation**).

DATED 2019

[If the Proponent is a company]

Executed by the named Proponent in accordance with section 127 of the *Corporations Act 2001* (Cth)

Director/Secretary

Director



[If the Proponent is an individual]

Executed by the named Proponent in the presence of

Witness

Proponent



[If neither of the above applies, please insert appropriate execution clause]

Appendix 3 – Fact Sheet

Wik Timber

FACTSHEET

Darwin Stringybark | Cooktown Ironwood | Melville Island Bloodwood

Wik Timber Holdings Pty Ltd
ABN 11 149 929 297
212 McLeod Street, North Cairns
PO Box 1156, Cairn North, Qld, 4870
t: +61 7 4031 6472 | f: +61 7 4051 1530
e: officeadmin@wikprojects.com.au
www.wiktimber.com.au

Darwin Stringybark

Eucalyptus tetradonta

A straight hardwood tree that grows up to 25 to 30 metres and can yield logs more than 10 metres long. Dark brown to red in colour and, if left uncoated, does not fade to grey. Coated, it displays beautiful grain and character. Unlike other species of stringybark, Darwin Stringybark is highly regarded as a hard, heavy, stiff and stable timber suitable for flooring, decking and other uses requiring resistance to scratching and denting.

Highly durable both in and above ground, uses include engineering (bridge construction and mining timbers, sleepers, poles, piles and cross arms), construction (heavy structural, flooring, decking, shipbuilding), decorative (furniture, joinery, inlay work) and others (implements, handles).



Key specifications

Density (kg/m ³ @ dry)	1170
Hardness (Janka) (kN) dry	12.8
Stability	Good
Natural durability – in/above ground	1/1

Cooktown Ironwood

Erythrophleum chlorostachys

One of the heaviest, strongest and most durable timbers in the world, the tree is very slow-growing and relatively small, yielding logs up to a maximum length of about 5 metres and a diameter of about 40 centimetres. When freshly cut the timber may appear pink, but it darkens to a deep rich red colour with beautiful swirls in the grain on some pieces.

The red heartwood has extremely high durability, even when used externally and in contact with the ground. It is resistant to borers, termites, and fungal rots. (The pale yellow sapwood is not durable in external situations, but is used internally in furniture and artefacts to provide a stark contrast with the heartwood.)

Uses include engineering (bridge construction and as mining timbers, sleepers, poles, piles and cross arms), construction (heavy structural, heavy flooring, decking, shipbuilding), decorative (furniture, joinery, inlay work) and others (musical instruments, implements, handles).



Key specifications

Density (kg/m ³ dry)	1220
Hardness (Janka) (kN)	13
Stability	Great
Natural durability – in/above ground	1/1

Melville Island Bloodwood

Corymbia nesophila

The tree grows straight and tall, up to 25 to 30 metres in height, and can yield logs more than 10 metres in length. The wood is dark pink to red in colour and has an attractive interlocked grain.

Very tough and extremely durable, uses include flooring and decking, fencing, cladding and other weather exposed uses.



Key specifications

Density (kg/m ³ dry)	1170
Hardness (Janka) (kN)	12.8
Stability	Good
Natural durability – in/above ground	1/1

Appendix 4 – Draft Sale Agreement

Timber Sale Agreement

Wik Timber Operations Pty Ltd
[Purchaser]

DRAFT

CHALK & BEHRENDT
LAWYERS & CONSULTANTS

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Details

Date 2019

Parties

Name **Wik Timber Operations Pty Ltd**
ABN 54 625 117 071
Short form name **Wik Timber**
Address 212 McLeod Street, North Cairns
(PO Box 1156, Cairns North QLD 4870, Australia)
OfficeAdmin@wikprojects.com.au

Name **[Purchaser's full name]**
ABN **[Purchaser's ABN]**
Short form name **Purchaser**
Address **[Purchaser's address]**

[Purchaser's email address]

Background

- A The State of Queensland has issued a long-term sales permit under the *Forestry Act 1959* (Qld) to allow harvesting of Hardwood Log Timber on areas south of the Embley River and north of the township of Aurukun on western Cape York.
- B In September 2019, Wik Timber invited expressions of interest to purchase a quantity of Hardwood Log Timber harvested from that area.
- C Following evaluation of expressions of interest received, Wik Timber has agreed to supply and sell, and the Purchaser has agreed to purchase, the Sale Quantity of Hardwood Log Timber (the **Timber Sale**) on the terms set out in this Sale Agreement.

Agreed terms

1. Interpretations

1.1 Definitions

In this Sale Agreement, unless the contrary intention appears:

Additional Quantity means any quantity of Hardwood Log Timber additional to the Sale Quantity which is offered for sale by Wik Timber to the Purchaser on the terms of this Sale Agreement;

Bank Guarantee means, unless otherwise approved by Wik Timber, an unconditional, on demand and irrevocable bank guarantee from a financial institution registered in Australia, the issuer and terms of which are acceptable to Wik Timber, in an amount not less than the Guaranteed Amount.

Business Day means a day which is not a Saturday, Sunday or public holiday in Queensland, Australia;

Cairns Point Log Yard means the log yard operated by Wik Timber at the Port of Cairns in Queensland;

Commencement Date means [insert] 2019;

Consequential Loss means indirect loss of any kind whatsoever and includes loss of sales, loss of profit, loss of revenue, loss of goodwill or business opportunities and damage to reputation, even if a party knew or should have known of the possibility of such loss or damage;

Delivery Point means the place at which the Sale Quantity, and any Additional Quantity, of Hardwood Log Timber is to be delivered to the Purchaser by Wik Timber, being [the Purchaser's barge at the Hey Point Barge Landing; OR the Purchaser's Truck at the Cairns Port Log Yard; OR the Purchaser's Log Yard];

Completion Date means 31 December 2020;

Force Majeure Event means any act, event or cause which is beyond the reasonable control of a party including war, insurrection, civil disturbance, blockade, riot, embargo, epidemic, earthquake, storm, flood, explosion, fire or lightning, strikes and other labour conflict, government action or inaction (including a change of law), breakdown of machinery, equipment or facilities or shortages of material or equipment and includes the wet season, cyclones and other weather events occurring in or affecting northern Queensland, Australia;

Government Authority includes the Commonwealth, each State and Territory of the Commonwealth and any Commonwealth, state or local government authority, department or body;

GST has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

GST Law means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

Guaranteed Amount means \$[insert].

Hardwood Log Timber means sawlogs or sawlog sections from the Supply Species which meet the Utilisation Standard;

Hey Point means Hey Point, on the Hey River near Weipa, Queensland;

Hey Point Barge Landing means the barge landing adjacent to the Hey Point Log Yard;

Hey Point Log Yard means the log yard operated by Wik Timber at Hey Point;

Nominated Monthly Quantity means the quantity of Hardwood Log Timber the Purchaser must purchase in each calendar month during the Term, as set out in Schedule 2;

Purchase Price means \$[insert] (exclusive of GST) per tonne of Hardwood Log Timber;

Purchaser means [Purchaser Name] and, where relevant, includes the Purchaser's employees, contractors, related entities and authorised representatives;

Purchaser's Log Yard means the Purchaser's log yard at [insert address];

Sale Quantity means [insert] tonnes of Hardwood Log Timber;

Sale Agreement means this document;

Supply Species means the following species of tree:

- (a) Melville Island bloodwood (*Corymbia nesophila*);
- (b) Cooktown ironwood (*Erythrophelum chlorostachys*); and
- (c) Darwin stringybark (*Eucalyptus tetradonta*);

Term means the period from the Commencement Date to the Completion Date;

Timber Transport Plan means the plan referred to in clause 6 specifying the arrangements for the collection and transport of the Supply Quantity, and any Additional Quantity, of Hardwood Log Timber from the Delivery Point by the Purchaser;

Utilisation Standard means the standard set out in Schedule 1 to this Sale Agreement; and

Wik Timber means Wik Timber Operations Pty Ltd ABN 54 625 117 071 and, where relevant, includes Wik Timber's employees, contractors, related entities and authorised representatives.

1.2 Interpretation

In this Sale Agreement, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) no rule of construction operates to the detriment of a party only because that party was responsible for the preparation of this Sale Agreement or a relevant part of it;
- (b) a reference to a clause, schedule or annexure is a reference to a clause in or annexure or schedule to this Sale Agreement;
- (c) a reference to legislation includes:
 - (i) regulations, rulings and other instruments under it; and
 - (ii) consolidations, amendments, re-enactments or replacements of any of them;
- (d) the singular includes the plural and *vice versa*;
- (e) if a word or expression is defined, other parts of speech or grammatical forms of the same word or expression have corresponding meanings;
- (f) a reference to a party to this Sale Agreement includes that party's executors, administrators, substitutes, successors and assigns;
- (g) a reference to a person includes a company, association, corporation or other body corporate, or a partnership or any Government Authority;
- (h) the word 'includes' or 'including' (and like words and expressions) is not to be construed as a limitation;
- (i) Australian dollars, dollars, A\$ or \$ is a reference to Australian currency;
- (j) a reference to a month is a reference to a calendar month;
- (k) an agreement, representation or warranty in favour of two or more persons is for the benefit of each of them individually and every two or more of them jointly;
- (l) a reference to a particular person includes a reference to the person's executors, administrators and successors;
- (m) a reference to a document, including this Sale Agreement, includes any variation or replacement of that document; and

- (n) if this Sale Agreement requires something to be done by a day which is not a Business Day, then it must be done by the preceding Business Day.

2. Commencement and term

This Sale Agreement commences on the Commencement Date and expires on the Completion Date, unless terminated earlier:

- (a) by written agreement of the parties; or
- (b) under the terms of this Sale Agreement.

3. Sale Quantity and Specifications

3.1 Sale Quantity

- (a) Wik Timber agrees to supply and sell, and the Purchaser agrees to purchase, the Sale Quantity of Hardwood Log Timber on the terms set out in this Sale Agreement.
- (b) Wik Timber may, in its absolute discretion, offer to supply and sell an Additional Quantity of Hardwood Log Timber to the Purchaser on the terms of this Sale Agreement.

3.2 Nominated Monthly Quantity

- (a) Subject to Wik Timber having a sufficient available quantity of Hardwood Log Timber, the Purchaser must purchase the Nominated Monthly Quantity each calendar month during the Term.
- (b) Wik Timber may, by notice to the Purchaser, vary the Nominated Monthly Quantity in any calendar month if the quantity of Hardwood Log Timber available for supply to the Purchaser is reduced by reason of a Force Majeure Event.

3.3 Specifications

- (a) Hardwood Log Timber supplied by Wik Timber to the Purchaser under this Sale Agreement must meet the Utilisation Standard.
- (b) Except as provided in clause 3.3(a), Wik Timber makes no representation or warranty as to the quality, size or availability of the Hardwood Log Timber, its fitness for any purpose or its correspondence with sample.
- (c) The Purchaser acknowledges and agrees that:
 - (i) Hardwood Log Timber supplied by Wik Timber will comprise a mix of Supply Species;
 - (ii) Wik Timber is not required to supply to the Purchaser a particular quantity of any of the Supply Species;
 - (iii) the mix of Supply Species supplied to the Purchaser will be decided by Wik Timber in its absolute discretion; and
 - (iv) it has conducted its own investigations and enquiries and enters into this Sale Agreement at its own risk.

4. Price and payment

4.1 Purchase Price

The Purchaser agrees to pay the Purchase Price to Wik Timber for the supply to the Purchaser of Hardwood Log Timber in accordance with this Sale Agreement.

4.2 Payment of monthly instalment in advance

Each calendar month during the Term the Purchaser must pay to Wik Timber in advance the total Purchase Price for the Nominated Monthly Quantity to be supplied in the following calendar month (**Monthly Instalment**).

4.3 Payment of Invoices

- (a) On or before the 21st day of each calendar month, Wik Timber may issue an invoice for the Monthly Instalment to the Purchaser.
- (b) The Purchaser must pay to Wik Timber the amount of each invoice issued under this clause 4.3 by the 28th day of the calendar month in which that invoice is issued.
- (c) The payment of each invoice must be:
 - (i) in cleared funds;
 - (ii) in Australian currency;
 - (iii) by deposit to the bank account nominated by Wik Timber;
 - (iv) without set-off, counterclaim, deduction or withholding on any account whatsoever.
- (d) Despite anything to the contrary contained or implied in this Sale Agreement, all invoices issued under this clause 4.3 must be paid in full before, and the Purchaser must not be in breach of clause 8 at the time that, any Hardwood Log Timber is removed from the Hey Point Log Yard by Wik Timber for delivery to the Purchaser.
- (e) If an invoice is not paid in full in accordance with this clause 4.3 then, without limiting Wik Timber's other rights, the time by which Wik Timber is obliged to supply Hardwood Log Timber will be extended by the same number of days as the period by which payment is delayed.

5. Acceptance and delivery

5.1 Delivery

The parties acknowledge and agree that it is intended that Hardwood Log Timber supplied under this Sale Agreement will be:

- (a) harvested by or on behalf of Wik Timber then stored at the Hey Point Log Yard;
- (b) accepted by the Purchaser at the Hey Point Log Yard; and
- (c) delivered by Wik Timber to the Delivery Point.

5.2 Time for delivery

Wik Timber will endeavour to have:

- (a) the Nominated Monthly Quantity in each calendar month available for delivery to the Delivery Point by the end of that calendar month; and

- (b) made the Supply Quantity available for delivery to the Delivery Point by the Completion Date.

5.3 Acceptance of Hardwood Log Timber

- (a) Hardwood Log Timber to be supplied under this Sale Agreement must be debarked and weighed by Wik Timber using loader scales.
- (b) Within 5 Business Days after the end of each calendar month, a representative of the Purchaser must meet with a representative of Wik Timber at the Log Yard to inspect Hardwood Log Timber which Wik Timber has selected in that month for supply to the Purchaser. The Purchaser's representative must comply with all reasonable safety-related requirements and directions specified by a Wik Timber representative (which, despite clause 16.2(a), need not be in writing).
- (c) The Purchaser's representative must:
 - (i) accept all Hardwood Log Timber that meets the Utilisation Standard; and
 - (ii) inform the Wik Timber representative if there is any Hardwood Log Timber he, she or they consider does not meet the Utilisation Standard.
- (d) Wik Timber must mark each individual sawlog accepted by the Purchaser's representative under clause 5.1(c)(i) with a unique identifier and keep a written record of sawlogs accepted by the Purchaser which will be used to determine the quantity of Hardwood Log Timber that the Purchaser has purchased under this Sale Agreement.
- (e) If a representative of the Purchaser does not attend the Log Yard and inspect the Timber within the time referred to in clause 5.1(b), then the Purchaser will be taken to have accepted the Timber referred to in that clause under clause 5.1(c)(i).

5.4 Collection of Hardwood Log Timber from Delivery Point

- (a) The Purchaser must collect each Nominated Monthly Quantity from the Delivery Point promptly and in any event within 14 days after the end of the relevant calendar month in which it was made available for delivery.
- (b) If requested, Wik Timber may, at Wik Timber's sole discretion, grant the Purchaser additional time to collect the Nominated Monthly Quantity from the Delivery Point.
- (c) The Purchaser must make arrangements to collect and transport each Nominated Monthly Quantity from the Delivery Point in accordance with the Timber Transport Plan.
- (d) If under clause 5.4(b) Wik Timber grants the Purchaser additional time, the Purchaser must continue to comply with all other terms and conditions in this Sale Agreement.

6. Timber Transport Plan

6.1 Preparation of Timber Transport Plan

- (a) The Purchaser must prepare and submit a Timber Transport Plan to Wik Timber for approval, which approval must not be unreasonably withheld.
- (b) Wik Timber will not be required to commence supplying Hardwood Log Timber to the Purchaser until the Timber Transport Plan is approved.
- (c) The Timber Transport Plan must specify the arrangements for the transport of Hardwood Log Timber by the Purchaser from the Delivery Point and co-ordination of those arrangements with other operations and activities at the Delivery Point.

- (d) The Timber Transport Plan approved by Wik Timber will form a part of this Sale Agreement.
- (e) If there is any inconsistency between the terms of the Timber Transport Plan and this Sale Agreement, this Sale Agreement will take precedence to the extent necessary to resolve any inconsistency.

6.2 Variation of Timber Transport Plan

- (a) The Purchaser may, at any time, by notice to Wik Timber apply to vary the Timber Transport Plan.
- (b) Wik Timber will consider any reasonable request from the Purchaser to vary the Timber Transport Plan if the Purchaser can demonstrate:
 - (i) the variation is more efficient and cost effective for both the Purchaser and Wik Timber; and
 - (ii) that Wik Timber is capable of effectively and efficiently implementing the variation.
- (c) Any variation to the Timber Transport Plan will not take effect until it is approved by Wik Timber.

6.3 Delivery fees and charges

[Include this clause only if the Delivery Point is the Hey Point Barge Landing] The parties acknowledge and agree that, as between the parties, the Purchaser is solely responsible for arranging and paying for any and all fees and charges levied by any Government Authority, port or any other person in connection with the delivery by Wik Timber of Hardwood Log Timber to the Delivery Point.

7. Title and Risk

7.1 Title

Title to the Hardwood Log Timber supplied under this Sale Agreement will pass to the Purchaser on the later of when the Purchaser has paid the Purchase Price for that Hardwood Log Timber in full and when that Hardwood Log Timber is delivered to the Purchaser at the Delivery Point.

7.2 Risk

Risk relating to Hardwood Log Timber supplied under this Sale Agreement passes to the Purchaser when the particular piece of Hardwood Log Timber is delivered to the Purchaser at the Delivery Point.

8. Bank Guarantee

8.1 Provision of a Bank Guarantee

On or before the Commencement Date, the Purchaser must provide a Bank Guarantee to Wik Timber, to secure payment of all monies under this Sale Agreement and for purposes including:

- (a) payment of overdue invoices; or
- (b) rectification of any breach of this Sale Agreement.

8.2 Recourse

- (a) Wik Timber may, at any time and without limiting its rights, make a claim for the whole or any part of the amount payable under the Bank Guarantee and apply any amount received under the Bank Guarantee in or towards payment of amounts owing or claimable under this Sale Agreement including where:
 - (i) an invoice has been rendered to the Purchaser by Wik Timber and the Purchaser has failed to pay that invoice in accordance with clause 4.3; or
 - (ii) Wik Timber is owed, or in good faith claims it is owed, any money by the Purchaser under this Sale Agreement (including under indemnity); or
 - (iii) Wik Timber has incurred or may incur costs for which the Purchaser is or may be liable under this Sale Agreement; or
 - (iv) Wik Timber has incurred or may incur costs to exercise a right under this Sale Agreement in respect of money owing by the Purchaser to it.
- (b) The Purchaser must ensure that the total amount outstanding under this Sale Agreement, including for any Hardwood Log Timber supplied but not yet paid for by the Purchaser or invoiced by Wik Timber, does not at any time exceed the unclaimed portion of the Guaranteed Amount.

8.3 Obligation to Maintain Level of Bank Guarantee

- (a) If Wik Timber realises all or any part of the Bank Guarantee, the Purchaser must lodge a fresh Bank Guarantee to restore the Bank Guarantee to the Guaranteed Amount within the time period specified by notice from Wik Timber.
- (b) Until such time as the Bank Guarantee has been restored to the Guaranteed Amount, Wik Timber may, by notice, suspend this Sale Agreement or limit the quantity of Hardwood Log Timber that the Purchaser may purchase under this Sale Agreement.

8.4 Review of Guaranteed Amount

- (a) At any time during the term of this Sale Agreement Wik Timber may review and vary the Guaranteed Amount (**Varied Guaranteed Amount**). The parties agree to consult in good faith about a variation of the Guaranteed Amount.
- (b) If Wik Timber varies the Guaranteed Amount under clause 8.4(a), the Purchaser must provide a Bank Guarantee for the Varied Guaranteed Amount within the time period specified in the notice.
- (c) Until such time as the Purchaser provides a Bank Guarantee for the Varied Guaranteed Amount, Wik Timber may, by notice to the Purchaser, limit the quantity of Hardwood Log Timber that the Purchaser may purchase under this Sale Agreement.

8.5 Return of Bank Guarantee

- (a) Wik Timber will return the Bank Guarantee to the Purchaser within 60 days from the Completion Date or earlier termination of this Sale Agreement, less any amount owing to Wik Timber or otherwise deducted under the terms of this Sale Agreement, unless:
 - (i) issues exist and Wik Timber, by notice, has advised the Purchaser that the Bank Guarantee will not be returned until the notified issues are resolved; or
 - (ii) a fresh Bank Guarantee is not provided in accordance with clause 8.3.
- (b) This clause will survive the termination or expiration of this Sale Agreement.

9. Release and indemnity

- (a) The Purchaser releases to the full extent permitted by law, Wik Timber (and its related entities), from all actions, claims, proceedings or demands in respect of any loss, death, injury, illness or damage (whether to person or property, and whether special, direct, indirect or consequential) arising out of this Sale Agreement (including claims in negligence), except to the extent that the loss, injury or damage was caused by the negligence of Wik Timber.
- (b) The Purchaser indemnifies Wik Timber (and its related entities) against all liability, loss, costs and expenses (including any actions, claims, proceedings or demand brought by any third party, and any legal fees, costs and disbursements on a solicitor and own client basis) arising from or incurred in connection with:
 - (i) any unlawful, wilful or negligent act or omission by the Purchaser; and
 - (ii) personal injury (including sickness and death) or property damage or loss in connection with the performance (or attempted or purported performance or non-performance) of any activity in connection with this Sale Agreement or a breach of this Sale Agreement by the Purchaser.
- (c) The Purchaser's liability to indemnify Wik Timber (and its related entities) under clause 9(b) will be reduced proportionally to the extent that any negligent act or omission or breach of this Sale Agreement by Wik Timber caused the loss or liability.
- (d) The indemnity granted in clause 9(b) is in addition to and not exclusive of any other remedies Wik Timber may have against the Purchaser at law.
- (e) This clause will survive the termination or expiration of this Sale Agreement.
- (f) In this clause 9, references to related entities include reference to related bodies corporate (as that expression is defined in the *Corporations Act 2001* (Cth)). To the extent that this agreement confers a benefit on a third party, the parties acknowledge that the benefit has been conferred for valuable consideration.

10. Insurance

- (a) The Purchaser must effect and maintain in respect of liabilities arising during the Term the following insurances:
 - (i) insurance under the *Workers' Compensation and Rehabilitation Act 2003* (Qld) as required by law; and
 - (ii) a public liability insurance policy for not less than \$20 million arising from any one event in respect of the death of, or injury to persons, or loss or damage to property.
- (b) The insurance policies required under clause 10(a) must be effected and maintained with a reputable insurer carrying on business in Australia.
- (c) The Purchaser must, within 5 Business Days of a receiving a notice from Wik Timber, provide certified copies of policies or certificates of currency for the insurances required under this clause.
- (d) If the Purchaser is an individual or sole trader, then clause 10(a) is satisfied if the Purchaser maintains:
 - (i) personal accident insurance covering all medical treatment, hospitalisation and medical expenses; and

- (ii) income protection insurance; and
- (iii) death and disability insurance,

equivalent to the coverage and entitlements provided to employees under the statutory provisions of the *Workers' Compensation and Rehabilitation Act 2003* (Qld).

- (e) This clause 10 survives termination of this Sale Agreement.

11. Force majeure

- (a) No party will be liable for any delay or failure to perform on time its obligations under this Sale Agreement (except for the payment of money) to the extent that delay is due to a Force Majeure Event.
- (b) If a party is unable by reason of a Force Majeure Event to carry out wholly or in part any obligation under this Sale Agreement, that party must give prompt notice of the Force Majeure Event to the other party, upon which its obligations will be suspended for so long as the Force Majeure Event delays the performance of the party's obligations under this Sale Agreement.
- (c) A notice referred to in clause 11(b) must include reasonable details of:
 - (i) the Force Majeure Event that has occurred;
 - (ii) the effect of the Force Majeure Event on the performance of the party's obligations under this Sale Agreement; and
 - (iii) the likely duration of the delay in the party's performance of those obligations.
- (d) A party claiming a Force Majeure Event must use reasonable endeavours to remedy, abate or work around the Force Majeure Event as expeditiously as possible.

12. Dispute resolution

12.1 Dispute Notice

If a party claims that a dispute relating to this Sale Agreement (**Dispute**) has arisen, that party may give notice to the other party providing details of the Dispute (**Dispute Notice**).

12.2 Meeting to discuss

On delivery of a Dispute Notice by either party, the parties must use reasonable endeavours to convene, within 5 Business Days of the delivery of the Dispute Notice, a meeting between a senior representative of Wik Timber and a senior representative of the Purchaser in Cairns (or another location in Australia agreed between the parties) to attempt to resolve the Dispute.

12.3 Urgent relief

Nothing in this clause 12 prevents either party from commencing court proceedings relating to any Dispute arising from this Sale Agreement at any time where that party seeks urgent interlocutory relief.

12.4 Continuation of obligations

The parties must at all times continue to perform and otherwise comply with their obligations under this Sale Agreement despite the existence of a Dispute.

13. Confidentiality

13.1 Confidentiality obligation

Subject to clause 13.2, the parties agree to keep the terms of this Sale Agreement and all information disclosed to the parties under or in connection with this Sale Agreement or during the negotiation of matters contemplated by this Sale Agreement (**Confidential Information**) confidential and must not disclose Confidential Information to any person without the consent of the other party.

13.2 Exceptions

Despite clause 13.1, a party may, without the prior approval of the other party, disclose Confidential Information:

- (a) which is required by law to be disclosed, but only to the extent of that requirement;
- (b) if the information is already in the public domain;
- (c) which is required by any applicable stock exchange listing rules;
- (d) to any officer, employee, contractor or shareholder of a party or its related entities or advisors who are under an obligation to keep that information confidential; and
- (e) to any *bona fide* current or prospective financier or investor or any of its officers or employees or advisors who is under an obligation to keep that information confidential.

13.3 Obligations continue

The parties' obligations under this clause 13 will continue for 5 years after the date of this Sale Agreement and survive termination of this Sale Agreement.

14. Termination

14.1 Right to terminate

A party (the **Non-Defaulting Party**) may by notice to the other party (the **Defaulting Party**) terminate this Sale Agreement with immediate effect if:

- (a) the Defaulting Party is in material breach of any of its obligations under this Sale Agreement and, if capable of remedy, fails to remedy that breach within 30 days after receiving a notice from the Non-Defaulting Party requiring it to do so; or
- (b) a liquidator, provisional liquidator, administrator, receiver or receiver and manager is appointed to the Defaulting Party or to all or substantially all of its assets, or the Defaulting Party is to be taken to be insolvent under the *Corporations Act 2001* (Cth) or, in the case of an individual, the Defaulting Party is taken to have committed an act of bankruptcy under the *Bankruptcy Act 1966* (Cth).

14.2 Effect of termination

Termination of this Sale Agreement under this clause 14 will not affect any accrued rights or obligations of the parties. If this Sale Agreement is terminated by Wik Timber, the Purchaser will not be entitled to a refund of any amount paid under this Sale Agreement.

15. Warranties

Each party represents and warrants to the other party that:

- (a) it has capacity to unconditionally execute, deliver and comply with its obligations under this Sale Agreement;
- (b) it has taken all necessary action to authorise the unconditional execution and delivery of, and the compliance with, its obligations under this Sale Agreement;
- (c) this Sale Agreement is valid and legally binding on it and is enforceable against it by the other party in accordance with its terms and in accordance with the laws of its place of incorporation; and
- (d) its unconditional execution and delivery of, and compliance with its obligations under, this Sale Agreement do not contravene:
 - (i) any law or directive from a Government Authority;
 - (ii) its constituent documents;
 - (iii) any agreement or instrument to which it is a party; or
 - (iv) any obligation of it to any other person.

16. General

16.1 GST

- (a) If a payment to be made by a recipient under this Sale Agreement is consideration for a taxable supply by a supplier then:
 - (i) the amount of the payment will be increased by, and the recipient must pay, an additional amount equal to the amount of the GST payable in respect of the taxable supply;
 - (ii) unless otherwise specified in this Sale Agreement, the additional amount must be paid at the same time as the payment; and
 - (iii) the supplier must give the recipient a tax invoice sufficient to enable the recipient to claim any input tax credit to which it may be entitled in respect of the taxable supply.
- (b) A word or phrase which is defined in the GST Law has the same meaning when used in this clause 16.1.

16.2 Notices

- (a) Any notice or other communication to be given under this Sale Agreement:
 - (i) must be in writing;
 - (ii) must be signed by, or for and on behalf of, the party giving or making it; and
 - (iii) may be either delivered by hand, sent by post or transmitted by email to the relevant address for the recipient shown in the Details section of this Sale Agreement (or as otherwise notified by the recipient).
- (b) A notice or other communication is taken to be received:
 - (i) in the case of delivery by hand – on the day and at the time when the delivery occurred;
 - (ii) in the case of ordinary pre-paid post – on the seventh Business Day (in the place to which it is addressed) after the date of posting;

- (iii) in the case of email – on the day and at the time at which the sender's mailbox indicates that the email was sent (unless a message is subsequently received by the sender that the email was not delivered).

16.3 Exclusion of consequential loss

Wik Timber will not be liable to the purchaser for Consequential Loss.

16.4 Further assurances

Each party must promptly take all steps, execute all documents and do all things reasonably required by the other party to give effect to this Sale Agreement.

16.5 Expenses

Each party will pay its own costs in relation to the negotiation, preparation and execution of this Sale Agreement.

16.6 Entire agreement

This Sale Agreement constitutes the entire agreement between the parties with respect to its subject-matter and supersedes all previous communications relating to that subject-matter.

16.7 Variation

This Sale Agreement may only be varied by a document in writing signed by the parties.

16.8 Waiver

- (a) The failure, delay, relaxation or indulgence on the part of a party in exercising any power, right or remedy will not operate as a waiver of that power, right or remedy, nor will the exercise or any single or partial exercise of any power, right or remedy preclude any other or further exercise of such power, right or remedy or the exercise of any other power, right or remedy under this Sale Agreement.
- (b) Any waiver of a breach of this Sale Agreement must be in writing signed by the party granting the waiver and will be effective only to the extent specifically set out in that waiver.

16.9 No assignment

A party may not assign any of its rights under this Sale Agreement except with the consent of the other party, which may be withheld in its absolute discretion.

16.10 Governing law

This Sale Agreement is governed by the laws of Queensland, Australia.

16.11 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Sales Agreement; and
- (b) waives any objection it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 16.11(a).

16.12 Counterparts

This Sale Agreement may be executed in any number of counterparts and all of those counterparts taken together will constitute one and the same document.

Schedule 1 – Utilisation Standard

<i>Product</i>	<i>Specification</i>
Hardwood Log Timber	A sawlog or sawlog section meeting the specification in section 1.2 of the <i>Hardwood Sawlog Classification Guidelines – Edition 3</i> published by the Queensland Department of Natural Resources, Mines & Water (now the Queensland Department of Agriculture and Fisheries).

DRAFT

Schedule 2 – Nominated Monthly Quantity

Purchaser's Nominated Monthly Quantity:

<i>Calendar Month</i>										
<i>Year</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
2019	n/a	n/a	n/a	n/a	n/a	n/a	t	t	t	t
2020	t	t	t	t	t	t	t	t	t	t
Proposed Sale Quantity										t

Signing page

EXECUTED as an agreement.

Executed by **Wik Timber Operations Pty Ltd** in accordance with section 127 of the *Corporations Act 2001* (Cth)

Director/Secretary

Director



Executed by **[Purchaser name]** in accordance with section 127 of the *Corporations Act 2001* (Cth)

Director/Secretary

Director



Executed by **[Purchaser name]**

Purchaser signature

Witness signature

