

CHU BEIPING & Co.

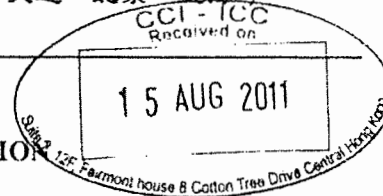
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伯寧律師事務所

(大连 北京 上海)



REQUEST FOR ARBITRATION

A. DETAILS OF PARTIES:

CLAIMANT:

Name:

Rock Resource Limited

Address:

Room 709, 7/F Nan Fung Tower, 173 Des
Voeux Road Central,
Hong Kong, P.R.China

Tel:

+852 2815 7303

Fax:

+852 2815 7963

Nationality: Hong Kong, P.R.China

RESPONDENT:

Name:

Altos Hornos de México, SAB de CV

Address:

Prolongación Juárez S/N, Col. La Loma
Monclova, Coahuila, México C.P 25770.

Tel:

+52 866 6493400

+52 866 6493330

+52 866 6493000

Fax:

+52 866 6492006

+52 866 6492007

Email:

sanchez@gan.com.mx

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Nationality: Mexico

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Chu Beiping & Co.

The Representatives of the Claimants:

Name:

Beiping CHU/ Qiang SHI /Lei LI of
Chu Beiping & Co.

Address:

Room 1318-1319, Tower A of Mingshi
Fortune Center, No.20 Gangwan Street,
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Fax: +86 411 8276 6225

Email:

chu@chubplaw.com

shiqiang@chubplaw.com

lilei@chubplaw.com

B. DESCRIPTION OF THE DISPUTE:

The dispute is arising out of a contract for sale and purchase of Venezuelan HBI (the "Contract") between Rock Resource Limited (the "Claimant") and Altos Hornos de México. SAB de CV (the "Respondent"). Under the Contract, the Respondent agreed and was obliged to purchase the cargo from the Claimant; however, the Respondent refused to purchase the HBI and even denied the effectiveness of the Contract, which resulted in huge losses upon the Buyer.

The Claimant confirms that the parties have attempted to settle the dispute amicably before submitting this Request of Arbitration, but no settlement was reached to date.

C. THE STATEMENT OF THE RELIEF:

In the light of the above, the Buyer is claiming US\$1,125,300.00 (United States Dollar one million one hundred twenty five thousand three hundred only) (or alternative damages) against the Buyer together with costs and interests.



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D. RELEVANT AGREEMENTS:

The disputed Contract is enclosed herewith, and the arbitration clause under the Contract is as follows:

CLAUSE 13 ARBITRATION AND APPLICABLE LAW

Any dispute, controversy or claim arising out of or in connection with this contract, or breach, termination or invalidity thereof, shall be settled, if no amicable solution can be found, exclusively by arbitration in accordance with Rules of Arbitration of the International Chamber of Commerce ("ICC"). The arbitration tribunal shall consist of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators shall appoint the third as presiding arbitrator. If the two arbitrators fail to agree on the third arbitrator, then the presiding arbitrator shall be appointed by the ICC. The proceedings, to be held in the English language, shall be governed by the applicable law in the State of New York. The place of arbitration shall be Manhattan, New York.

E. ALL RELEVANT PARTICULARS CONCERNING THE NUMBER OF ARBITRATORS AND THEIR CHOICE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLES 8, 9 AND 10, AND ANY NOMINATION OF AN ARBITRATOR REQUIRED THEREBY:

Clause 13 of the Contract provides that, *"the arbitration tribunal shall consist of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators shall appoint the third as presiding arbitrator. If the two arbitrators fail to agree on the third arbitrator, then the presiding arbitrator shall be appointed by the ICC."* Therefore, the number of the arbitrators for this reference shall be three (3), and the appointment procedure should be in accordance with the above Clause 13 and the relevant provisions of the Rules of ICC.

We nominate Mr Lianjun Li of Reed Smith Richards Butler to be the arbitrator as appointed by the Claimant for confirmation, and the following is the full style of Mr Lianjun Li:

Direct Tel: +852 2507 9857
Mobile: +852 9835 5039
Fax: +852 2810 1607
E-mail: lianjun.li@reedsmith.com
Address: 20th Floor Alexandra House
18 Chater Road
Central, Hong Kong



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F. ANY COMMENTS AS TO THE PLACE OF ARBITRATION, THE APPLICABLE RULES OF LAW AND THE LANGUAGE OF THE ARBITRATION

According to the clause 13 of the Contract, the place of the arbitration shall be Manhattan, New York, and "*the proceedings, to be held in the English language, shall be governed by the applicable law in the State of New York.*"

Since the Contract is silent to the applicable rules of law to govern the merits of the Contract, the claimant proposes Laws of Hong Kong shall be applied.

G. THE PAYMENT OF THE REGISTRATION FEE

The Claimant will arrange the remittance of the registration fee as soon as practicable after your confirmation of the following account of ICC and the bank slip will send to you soon for your kind reference.

Beneficiary: International Chamber of Commerce
Address: 38, Cours Albert 1er
75008 Paris, France
Bank of Beneficiary: UBS SA
Address: 35, rue des Noirettes
P.O. Box 2600
1211 Geneva 2, Switzerland
Account no.: 240-224534.61R
IBAN: CH06 0024 0240 2245 3461 R
Swift Code (BIC): UBSWCHZH80A

Yours faithfully,

Chu Beiping & Co.

CHU BEIPING & CO.

SALES CONTRACT

Contract Date: July 19th, 2011
 Contract Number: RKH1101

SELLER: ROCK RESOURCE LIMITED
 Room 2107, 21/F Nan Fung Tower,
 173 Des Voeux Road, Central, Hong Kong

BUYER: ALTOS HORNOS DE MEXICO, S.A.B. DE C.V.
 Prolongación Juárez S/N, Col. La Loma
 Monclova, Coahuila, México C.P 25770.

This contract is made by and between BUYER and SELLER, whereby BUYER agrees to buy and SELLER agrees to sell the goods mentioned below, on the terms and conditions stated as follows:

CLAUSE 1 TYPE OF COMMODITY

Commodity: Direct Reduced Iron (A) Briquettes, Hot-Moulded
 In Bulk (the "Commodity")

CLAUSE 2 ORIGIN

Origin: Venezuela

CLAUSE 3 QUANTITY AND SHIPMENT PERIOD

Quantity: 30,000 MT +/- 10% at Seller's option
 Shipment from : Puerto Ordaz or Palua, Venezuela ("Port of Origin")
 Laycan: July 20-30, 2011

CLAUSE 4 PRICE

US\$ 455 per Metric Ton (the "Price") CFR Altamira, Mexico ("Discharge Port")

CLAUSE 5 COMMODITY QUALITY AND SPECIFICATIONS

1) Chemical Analysis:	Expected	Maximum	Minimum
Fe	91.5 Percent		91.2 Percent
Metallic Fe	85 Percent		84.7 Percent
C	1.7 Percent		0.6 Percent
S	0.003 Percent	0.038 Percent	
P	0.10 Percent	0.13 Percent	
Gangue	5.5 Percent	6.5 Percent	
2) Physical Analysis			
Bulk Density	2.4-2.8	g/cm3	
Apparent Density	5.0-5.5	g/cm3	
Normal Size	110*50*30	mm	
Size(-6.35mm)	2.0 0	Percent Max	

Multiple material and broken pieces to be deemed as Direct Reduced Iron(A) Briquettes, Hot-Moulded

CLAUSE 6 PAYMENT

No later than July 20, 2011, BUYER will establish an irrevocable Letter of Credit (L/C) in favor of SELLER, in strict conformity with the contract terms, through the Sterling Bank, Houston, Texas payable at sight. In case SELLER requires confirmation of the L/C, at SELLER own cost, it may be confirmed with the Commerzbank of Honk Kong.

The Terms & Conditions of opening the L/C for the shipment should be reasonably acceptable to SELLER and SELLER's bank.

L/C shall be opened by BUYER's bank with a term of 85 days from its issuance.

One hundred (100) percent of the CFR value of the shipment shall be payable at sight against presentation to the bank of the following documents:

- 1) Full set of original "Clean on Board" Bill of Lading made out to order, blank endorsed, marked "freight payable as per charter party" and notifying "To order".
- 2) One original and two copies of SELLER'S invoice calculated as specified hereinabove, on the basis of the certificate of weight at loading port.
- 3) One original and two copies of the Certificate of Analysis issued by SGS at loading port, evidencing that the Commodity complies with the minimum quality specifications as provide In Clause 5 above.
- 4) One original and two copies of Seller's Weight of Certificate for the total quantity loaded on the vessel, based on the results of the Draft Survey Report Weight issued by Inspectorate or any other survey organization. Fax Copy of Draft Survey to be attached.
- 5) Certificate of origin In one original and two copies issued by seller.

If payment is delayed due to arbitration, dispute or for any other reason whatsoever, and such the payment amount cannot be collected by SELLER before the expiration date of the letter of credit, then BUYER undertakes to make all necessary arrangements in order to enable SELLER to receive payment, provided the arbitration or dispute procedure is not between Buyer and Seller.

CLAUSE 7: QUALITY

Certificate of Analysis issued by SGS at the loading port comply with the minimum quality specifications set forth in Clause 5 above shall be final. Buyer will have the right to have a representative present during sampling and analysis.

CLAUSE 8 WEIGHT

Certificate of Weight issued by SGS at the loading port shall be final.

CLAUSE 9 INSPECTION

- a. Independent recognized survey organization shall also issue draft survey report at the Port of Origin to be used by Seller as the base of the Weight Certificate. The cost of such draft survey shall be at Seller's expense. Buyer has the right to be present at the time the draft survey report is performed at the Port of Origin.
- b. Weight at Discharge Port to be ascertained by draft survey conducted by a Surveyor appointed by and paid by the Buyer. Copy of which to be made readily available to the Seller.
- c. The cost of the Weight Certificate, which will be issued by independent recognized survey organization at the Discharge Port after opening of the hatches, will be paid by Buyer.
- d. In order to verify the quality of the Commodity and to collect the corresponding samples, Buyer undertakes to appoint an independent recognized laboratory, which during discharge of the Commodity will collect the corresponding samples in accordance to ISO 10835, and will apply internationally accepted practices regarding the methodology for the collection, storage and preparation of the samples.
- e. The Independent Laboratory appointed by Buyer will effect the chemical analysis on the samples in accordance with internally accepted test methodologies, in order to verify the Fe metallic content, immediately upon arrival of the Commodity to the Discharging Port. Results of such analyses shall be notified to Seller by email as soon as they are available. The Original Certificates, duly stamped and signed by the Independent Laboratory and by the Buyer shall be forwarded to Seller's address by courier.

CLAUSE 10 SHIPPING TERMS AND CONDITIONS

Ocean carriage

Sellers will provide or arrange for transport of Product sold and delivered under this Agreement from the Load Port to the Discharge Port in a bulk carrier. Sellers may transport Product either in full cargoes or in part cargoes in vessels carrying cargoes for other receivers. If the cargo is lifted as a part cargo then all clauses relating to time counting or costs shall be shared pro rata according to the volume discharged for Buyer.

Buyer to provide discharge berths

Buyer shall provide one (unless otherwise mutually agreed) safe port and one safe berth at the Discharge Port at which vessels provided may safely approach, berth, discharge and always be safely afloat.

Notice of ETA

Sellers will give Buyer 5/2/1 days notices of the ETA of the vessel at the Discharge Port. Seller shall promptly advise Buyer of any significant change in the ETA.

Buyer to discharge vessels

Buyer shall cause all Product sold and delivered under this Agreement to be discharged and taken free from the vessel's holds at Buyer's risk and expense, at the rate referred to the discharge rates term.

Notice of Readiness

Laytime for discharging shall commence 12 hours (unless otherwise mutually agreed) after the tendering of a notice of readiness ("Notice of Readiness"), whether the vessel is in berth or not, unless discharging is commenced sooner, in which case full time is to count from such commencement. The Notice of Readiness may be presented, at any time in or out of office hours, after the vessel has arrived at or off the Discharge Port (whether or not the vessel is in berth or port, whether customs cleared or not, whether vessel is in free pratique or not, at any time day or night, Saturdays, Sundays and public holidays included). If the discharging berth or anchorage is unavailable at this time the Vessel may tender NOR from the normal recognised waiting place designated by the Port Authority, even if outside the normal port limits and whether or not the Vessel has been cleared by customs and/or quarantine authorities.

If Buyer nominated discharging berth is not free and available upon arrival of the ocean-going vessel to enable discharging operations to commence immediately, all time lost in waiting for a safe discharging berth or anchorage shall count as laytime.

In the event that Buyer can arrange to discharge before time commences to count, Master shall allow work to be done, in which case actual time used shall count. Time used by the Vessel in proceeding from waiting place to first discharging berth or anchorage and any time lost before berthing (after tendering NOR) due to delay to the Vessel, shall not count as laytime or time on demurrage unless such delay is directly caused by action of Buyer. Any time waiting for buyer's draft surveyor at completion of discharge will count as laytime used.

Discharge Port

Discharge Port shall be one safe berth Altamira, Mexico.

Buyer must ensure that vessels shall always be able to lie safely afloat at the Discharge Port. Buyer shall indemnify and keep Sellers indemnified against any liability, costs, loss, expense, damage or injury arising from Buyer's failure to so provide.

If there is any danger that a vessel may be unable to approach safely afloat or lie safely afloat at Buyer's nominated discharging berth, Buyer shall arrange for the vessel to be discharged at an alternative discharging berth or anchorage where the vessel can discharge always safely afloat. If the vessel is ordered by Buyer to such an alternative berth or anchorage, any additional discharging costs including but not limited to lighterage and shifting costs shall be for Buyer's account and shifting time shall count as laytime.

Stevedore damage

Buyer shall be responsible for stevedore damage caused to any vessel during discharging at the Discharge Port, whether by the stevedore's default or negligence or howsoever caused. Any stevedore damage at Discharge Port may be settled

directly between vessel owners and stevedores. Sellers will cause the master to notify the stevedores and the port agents as well as Buyer's representative immediately after the occurrence of such damage, but in any case before the vessel's departure. Stevedore damage may be repaired at Buyer's expense before the vessel sails from the Discharge Port, in which case time spent on repair shall count as laytime, unless Sellers notify Buyer otherwise, in which case Buyer shall remain liable for eventual repair of such damage.

Discharge rates

Buyer shall discharge Product on board vessels at 14,000 MT per weather working day of 24 consecutive hours, Saturdays, Sundays and public holidays included,

Demurrage and dispatch

Demurrage rate shall be USD 17,000.00 pdpr dhd

Dispatch rate shall be half of demurrage rate.

Demurrage at the Discharge Port shall be paid by Buyer to Sellers for all time lost after the expiration of allowed laytime.

Dispatch at half the demurrage rate shall be paid by Sellers to Buyer for all laytime saved.

Demurrage and dispatch shall be paid in US dollar, within thirty (30) days after completion of discharge.

Calculating laytime

Laytime allowed for each Discharge Port shall be calculated by dividing the quantity stated on the bill of lading by the Discharge Rate.

Sellers will arrange for the master of the vessel to sign on behalf of Sellers and a person designated by Buyer shall sign on behalf of Buyer, upon completion of discharge, a statement of facts which shall be the basis of calculating laytime between Buyer and Sellers.

Time used by vessel for but not limited to up heaving anchor, mooring, fastening and inward formality shall not count as laytime. "Once demurrage, always demurrage" shall be applied to laytime calculation.

Shifting

Shifting at Sellers' request after vessel is berthed due to vessel's size or for any other reason shall not count as laytime and the cost of such shifting shall be for Sellers' account.

Shifting at Buyer's or the Port Authority's request after vessel is berthed shall count as laytime and the cost of such shifting shall be for Buyer's account, except bunkers consumed whilst shifting which to be for Sellers' account.

Shifting from anchorage to berth shall not count as laytime.

Discharge Port Agent

Subject to Sellers' approval, which shall not be unreasonably withheld, Buyer may nominate the Discharge Port agent for the vessel, provided that agency fees and port costs are no higher than usual competitive market prices applying at the Discharge Port.

CLAUSE 11 TITLES AND RISK

Title to the Commodity shall pass from Seller to Buyer upon Seller's receipt of 100% of the payment, as provided in this contract

All Risk of loss, damage or destruction regarding the Commodity delivered shall pass from Seller to Buyer's at the time of discharge of the Commodity from the loading devices into the vessel at the Port of Origin.

Any taxes/dues on the Commodity at Port of Origin shall be at Seller's account. Any taxes/dues on cargo at Discharge Port shall be at Buyer's account.

CLAUSE 12 LOSS OF CARGO

In the event of partial or total loss of the cargo, the analysis and the weight as determined at the Port of Origin shall be treated as final and shall be used for final invoicing and payment.

CLAUSE 13 ARBITRATION AND APPLICABLE LAW

Any dispute, controversy or claim arising out of or in connection with this contract, or breach, termination or invalidity thereof, shall be settled, if no amicable solution can be found, exclusively by arbitration in accordance with Rules of Arbitration of the International Chamber of Commerce ("ICC"). The arbitration tribunal shall consist of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators shall appoint the third as presiding arbitrator. If the two arbitrators fail to agree on the third arbitrator, then the presiding arbitrator shall be appointed by the ICC. The proceedings, to be held in the English language, shall be governed by the applicable law in the State of New York. The place of arbitration shall be Manhattan, New York.

CLAUSE 14 INCOTERMS

The trade terms under this Contract, unless the context requires otherwise, shall be governed by and interpreted under the provisions of the International Rules for the Interpretation of Trade Terms (INCOTERMS), prevailing at the date of the shipment of the Commodity hereunder.

CLAUSE 15 FORCE MAJEURE

If at any time during the existence of this contract, either party is unable to perform in whole or in part any obligation under this contract due to an event of force majeure or an Act of God, including but not limited to war, hostility, military operation of any character, civil commotion, sabotage, quarantine restriction, act of God and act of Government (including but not restricted to prohibition of exports or imports), fire, floods, explosions, epidemics, strikes or other labour troubles, embargoes then the date of fulfillment of any obligation shall be postponed until the operation of the cause so preventing or delaying delivery or acceptance of delivery shall have ceased and performance by Seller or Buyer, as the case may be, or this Contract shall be prolonged for the period of such suspension. If either Seller or Buyer experiences an event of Force Majeure that continues uninterrupted for a period of Forty five (45) days either party shall have the right to terminate this Contract without further obligation by providing written notice of termination to the other party, such termination to be effective upon such notice is given. If the event of Force Majeure

extends to the period of forty five (45) days and the SELLER has not shipped the commodity, SELLER has the obligation to cancel the L/C with the corresponding bank.

CLAUSE 16 OTHERS

This Contract shall be binding upon and inure to the benefit of the respective successors and assigns of the parties, provided that neither party shall assign nor transfer any of its rights and obligations hereunder without the prior written consent of the other party.

The provisions of this Contract shall be deemed to be severable, and the invalidity of any provision of this Contract shall not affect the validity of the remaining provisions of this Contract.

The failure of either party hereto to enforce at any time any of the provisions hereof shall not be construed to be a waiver of such provisions or of the right of such party thereafter to enforce any such provisions.

If any provision hereof is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

This Contract constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter of this Contract, and supersedes all prior discussions, agreements and understandings between the parties with respect to the subject matter.

It is agreed between the parties that this Contract is kept absolutely confidential and no details shall be released of the transaction of this business to third parties.


In witness thereof, the parties hereto have caused this Contract to be executed on the day and year first above written.

SELLER:
Rock Resource Limited

BUYER:
Altos Hornos de México, S.A.B. DE C.V.

For and on behalf of
ROCK RESOURCE LIMITED


.....
Authorized Signature(s)


.....
Signature(s)

LIMITED