

**Form 604**  
Corporations Act 2001  
Section 671B

**Notice of change of interests of substantial holder**

To Company Name/Scheme Resource Equipment Limited

ACN/ARSN 098 812 492

**1. Details of substantial holder (1)**

Name Carosti Investments Pty Ltd as trustee for the Carosti Investments Unit Trust

ACN/ARSN (if applicable) 167 518 407

There was a change in the interests of the substantial holder on 13 June 2014

The previous notice was given to the company on 7 April 2014

The previous notice was dated 7 April 2014

**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	41,104,304	14.24%	61,516,296	19.9%

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
Refer to Annexure A					

**4. Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Refer to Annexure A					

**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
n/a	

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## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Carosti Investments Pty Ltd	120B Underwood Street, Paddington, NSW, 2021
Stirhill Pty Limited	15 Evans Street, Bronte, NSW, 2024

## Signature

print name Mark De Ambrosis

capacity Director

sign here



date 24/07/2014

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

**ANNEXURE A TO ASIC FORM 604**  
**Resource Equipment Limited ACN 098 812 492**

**3. Details of Relevant interests**

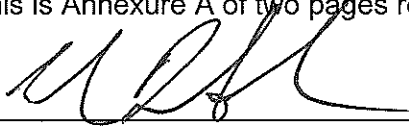
<b>Date of change</b>	<b>Person whose relevant interest changed</b>	<b>Nature of change (6)</b>	<b>Consideration given in relation to change (7)</b>	<b>Class and number of securities affected</b>	<b>Person's votes affected</b>
13 June 2014	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	Further relevant interest arising by virtue of sections 608(1)(a), (b) and (c) and 608(2) of the Corporations Act 2001. Also see Annexure B.	14 cents per share	20,411,992 fully paid ordinary shares	5.66%
13 June 2014	M.H. Carnegie & Co. Management Pty Ltd	Further relevant interest arising by virtue of sections 608(1)(b) and (c) and 608(2) of the Corporations Act 2001. Also see Annexure B.	14 cents per share	20,411,992 fully paid ordinary shares	5.66%
13 June 2014	M.H. Carnegie & Co. Pty Ltd ACN 146 859 341	Further relevant interest arising by virtue of sections 608(3) and 608(2) of the Corporations Act 2001. Also see Annexure B.	14 cents per share	20,411,992 fully paid ordinary shares	5.66%
13 June 2014	Certain investors in the Carosti Investments Unit Trust being, Stirhill Investments Trust, Carnegie Private Opportunities Fund No.1A, Carnegie Private Opportunities Fund No.1B, Ostwald Bros Equity Trust No.4, Thompson Family Trust and WMD Investment Trust	Further relevant interest arising by virtue of sections 608(1)(b) and (c) and 608(2) of the Corporations Act 2001. Also see Annexure B.	14 cents per share	20,411,992 fully paid ordinary shares	5.66%

**4. Present relevant interests**

<b>Holder of relevant interest</b>	<b>Registered holder of securities</b>	<b>Person entitled to be registered as holder(8)</b>	<b>Nature of relevant interest (6)</b>	<b>Class and number of securities</b>	<b>Person's votes</b>
Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	As per item 3 above	61,516,296 fully paid ordinary shares	19.9%

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder(8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
M.H. Carnegie & Co. Management Pty Ltd	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	As per item 3 above	61,516,296 fully paid ordinary shares	19.9%
M.H. Carnegie & Co. Pty Ltd ACN 146 859 341	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	As per item 3 above	61,516,296 fully paid ordinary shares	19.9%
Those investors in the Carosti Investments Unit Trust noted in item 3 above	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	As per item 3 above	A total of 61,516,296 fully paid ordinary shares	19.9%
Stirhill Pty Limited ATF Mr Donnelley	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	Carosti Investments Pty Ltd ATF Carosti Investments Unit Trust	As per item 3 above	A total of 61,516,296 fully paid ordinary shares	19.9%

This is Annexure A of two pages referred to in ASIC Form 604.



Signed by Mark De Ambrosis

Dated:

**ANNEXURE B TO ASIC FORM 604**  
**Resource Equipment Limited ACN 098 812 492**

**3. Details of Relevant interests**

This is Annexure B of 15 pages referred to in ASIC Form 604. The attached is a true copy of the original.



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Signed by Mark De Ambrosis

Dated:

# Share subscription agreement

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Resource Equipment Limited

Carosti Investments Pty Ltd as trustee for Carosti  
Investments Unit Trust

MinterEllison

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L A W Y E R S

AURORA PLACE, 88 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY  
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123  
[www.minterellison.com](http://www.minterellison.com)

# Share subscription agreement

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## Details

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Date 1 April 2014

## Parties

Name Resource Equipment Limited  
ABN 83 098 812 492  
Short form name **Company**  
Notice details 276 Treasure Road  
Welshpool, Western Australia 6106

Attention: Company Secretary

Name Carosti Investments Pty Ltd as trustee for Carosti Investments Unit Trust  
ACN 167 518 407  
Short form name **Subscriber**  
Notice details C/- M H Carnegie & Co, 120B Underwood Street, Paddington NSW 2021  
Email: kate.thompson@mhcarnegie.com  
Attention: Kate Thompson

## Background

The Subscriber has agreed to subscribe for the Subscription Shares and, the Company has agreed to issue the Subscription Shares to the Subscriber, on the terms and subject to the conditions of this agreement.

# Agreed terms

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## 1. Defined terms

### 1.1 Defined terms

In this document:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 or the financial market operated by it, as the context requires.

**ASX Listing Rules** means the listing rules of ASX, as amended from time to time except to the extent of any written waiver granted by ASX.

**Board** means the Company's board of directors.

**Business Day** means:

- (a) for receiving a notice under clause 9, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the notice is received; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales or Perth, Western Australia.

**Business Hours** means from 9.00am to 5.00pm on a Business Day.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Execution Date** means the date of execution of this agreement.

**Settlement Date** means the third Business Day after the Execution Date.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Computershare Registry Services Pty Limited.

**Specified Use of Funds** means working capital and general business purposes.

**Subscription Price** means AS\$0.14 per Subscription Share.

**Subscription Shares** means the number of Shares issuable to the Subscriber under this agreement as determined under clause 2.

**Trust** means the Carosti Investments Unit Trust.

**Updated Holding Statement** means an updated holding statement mailed by the Share Registry evidencing that the Subscription Shares have been issued to the Subscriber.

### 1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;

- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Sydney time;
- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (m) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

### **1.3 Headings**

Headings are for ease of reference only and do not affect interpretation.

## **2. Determination of number of Subscription Shares**

The number of Subscription Shares shall equal 37,583,494.

## **3. Subscription for Subscription Shares**

### **3.1 Actions on the Settlement Date**

On the Settlement Date, the Subscriber must subscribe for the Subscription Shares by:

- (a) giving the Company the registration details necessary for the issuance of the Subscription Shares to the Subscriber; and
- (b) paying to the Company by way of bank cheque or deposit or remittance into a bank account notified by the Company (or by the Share Registry on behalf of the Company) to the Subscriber, the Subscription Price for each Subscription Share.

### **3.2 Actions by the Company**

Subject to the Subscriber subscribing for the Subscription Shares in accordance with clause 3.1, the Company must:

- (a) on the Settlement Date, issue the Subscription Shares to the Subscriber in accordance with the Company's constitution and all applicable laws, rules and regulations;
- (b) within two Business Days after the Settlement Date, instruct the Share Registry to mail the Updated Holding Statement to the Subscriber at its registered address; and

- (c) use the aggregate Subscription Price only for the Specified Use of Funds.

### 3.3 Conditions of issue

The Subscription Shares will be issued subject to the Company's constitution.

### 3.4 Conditions of completion

- (a) The obligations of the parties under this clause 3 are interdependent. Settlement is conditional on, and will not be taken to have occurred until the parties have complied with all of their respective obligations under this clause 3.
- (b) If a party fails to fully comply with their respective obligations under this clause 3 and settlement does not occur, then either other party may terminate this agreement by giving notice to the other party and each party must promptly:
  - (i) return to each other all documents delivered to them under this clause 3;
  - (ii) repay to each other all payments received by it under this clause 3; and
  - (iii) do everything reasonably required by each other party to reverse any action taken under this clause 3,

without prejudice to any other rights any party may have in respect of that failure.

## 4. Ranking

The Subscription Shares will rank equally with all existing Shares, including in respect of all dividends, distributions, rights and other benefits in accordance with the constitution of the Company from the date of issue of the Subscription Shares.

## 5. Quotation and on-sale

- (a) The Company must:
  - (i) on or before the Settlement Date, apply, in the form of an Appendix 3B, to ASX for official quotation (as that expression is used in the ASX Listing Rules) of the Subscription Shares;
  - (ii) ensure that all conditions to the granting of official quotation by ASX are satisfied on or by the Settlement Date and that the Subscription Shares are unconditionally quoted within two Business Date after the Settlement Date; and
  - (iii) prepare, in accordance with section 708A(5) of the Corporations Act, and give to ASX, a notice (Cleansing Notice) that complies with section 708A(6) of the Corporations Act within 5 Business Days after the Settlement Date.
- (b) If the Company is unable to give the Cleaning Notice to ASX within the timeframe specified in clause 5(a)(iii), then the Company must, within 30 days of the issue of the Subscription Shares, lodge with ASIC a prospectus prepared in accordance with Chapter 6D of the Corporations and do all things necessary to satisfy section 708A(11) of the Corporations Act.

## 6. Warranties

### 6.1 Mutual warranties

Each party warrants to the other party on the Execution Date and again on the Settlement Date that:

- (a) it has the power and authority to enter into and perform its obligations under this agreement;
- (b) the execution, delivery and performance of this agreement by it will constitute legal, valid and binding obligations of it, enforceable in accordance with its terms;
- (c) it is not insolvent and no circumstances have arisen or may be reasonably expected to arise in consequence of which it may become insolvent, and no meeting has been convened, resolution proposed, petition presented or order made for the winding up of it and no receiver, receiver and manager, provisional liquidator, liquidator or other officer of a court or like person has been appointed in relation to any of its assets and no mortgagee has taken or attempted or indicated in any manner any intention to take possession of any of its assets; and
- (d) the execution, delivery and performance of this agreement by it will not violate:
  - (i) any legislation or rule of law or regulation, authorisation, consent or any order or decree of any governmental authority;
  - (ii) its constituent documents or any legislation, rules or other document constituting that party or governing its activities; or
  - (iii) any instrument to which it is a party or any instrument or judgement which is binding on it or any of its assets,
 and will not result in the creation or imposition of any encumbrance or restriction of any nature on any of its assets.

## 6.2 Subscriber's warranties

The Subscriber represents and warrants to the Company and agrees that on the Execution Date and again on the Settlement Date that:

- (a) it a person to whom an offer of the Subscription Shares for issue may be made without a disclosure document (as defined by the Corporations Act) on the basis that it is a professional investor or sophisticated investor (within the meaning of sections 708(8) and 708(11) of the Corporations Act, respectively) exempt from the disclosure requirements of Part 6D.2 of the Corporations Act;
- (b) it, as trustee, is the sole trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (c) it, as trustee:
  - (i) has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this agreement and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and that Subscriber has not released or disposed of its equitable lien over that Trust; and
  - (ii) the Trust is a validly subsisting trust and has not been terminated, and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

## 6.3 Subscriber's acknowledgement

The Subscriber acknowledges and agrees that it will be bound by the provisions of Company's constitution in its capacity as a Shareholder of the Company.

#### 6.4 The Company's warranties

The Company represents and warrants to the Subscriber that on the Execution Date and again on the Settlement Date that:

- (a) it is a corporation validly existing under the laws of the Commonwealth of Australia with full power and authority to conduct its business as presently conducted;
- (b) no ASIC determination under section 708A(2) of the Corporations Act is in force in relation to it;
- (c) the Subscription Shares are in a class of securities (the **Relevant Class**) that have been quoted securities (as defined in the Corporations Act) at all times in the 3 months before the date on which the Subscription Shares will be issued;
- (d) trading in the Relevant Class on the financial market operated by ASX has not been suspended for more than a total of 5 trading days in the 12 months before the date on which the Subscription Shares will be issued;
- (e) no exemption or order referred to in sections 708A(5)(c) or 708A(5)(d) of the Corporations Act covered the Company (or any person as director or auditor of the Company) at any time in the 12 months before the date on which the Subscription Shares will be issued;
- (f) except for the admission of the Subscription Shares to quotation on ASX, there is no restriction on the issue of the Subscription Shares and no shareholder approval is required (including under ASX Listing Rule 7.1);
- (g) it is in compliance with:
  - (i) the provisions of Chapter 2M of the Corporations Act (to the extent that they apply to the Company); and
  - (ii) the continuous disclosure requirements under the ASX Listing Rules and section 674 of the Corporations Act.
- (h) there is no information to which ASX Listing Rules 3.1A.1, 3.1A.2 or 3.1A.3 apply, other than the entry into this agreement and the proposal to issue the Subscription Shares;
- (i) it has not withheld from the Subscriber any information or document which, for the purposes of ASX Listing Rule 3.1, a reasonable person would expect to have a material effect on the price or value of the Subscription Shares or which would be material to the investment decision of a purchaser for value of the Subscription Shares;
- (j) the capital structure of the Company is as disclosed to the ASX, which includes all Shares and other equity securities (as that term is defined in the ASX Listing Rules), that have been issued by the Company;
- (k) except as provided in this agreement and disclosed by it to the Subscriber or to ASX, there are no agreements or arrangements in force which call for the present or future creation, issue, or grant to any person the right (whether exercisable now or in the future and whether conditional or not) to call for the creation or issue, of any Shares or other equity securities (as that term is defined in the ASX Listing Rules);
- (l) to the best of its knowledge, information and belief, after due enquiry, none of the Company or any of its subsidiaries or any of their respective directors are in material breach of any provision of any relevant law;
- (m) the Subscription Shares will be free from all liens, charges and other encumbrances, other than those provided for in the Company's constitution;

- (n) the Subscription Shares will be validly issued and credited as fully paid and will rank equally with all existing Shares from the date of issue;
- (o) all information provided by it to the Subscriber in connection with the Subscriber's entry into this agreement and the Subscriber's subscription for the Subscription Shares under this agreement is true and not misleading in any respect; and
- (p) it is not issuing the Subscription Shares with the purpose of the Subscriber selling or transferring the Subscription Shares, or granting, issuing or transferring interests in, or options over, the Subscription Shares.

## 6.5 Company acknowledgments and undertakings

The Company acknowledges, agrees and undertakes that:

- (a) no representation, warranty, promise or undertaking of the Subscriber has induced or influenced the Company to enter into or agree to any terms of this agreement, or has been relied on in any way as being accurate by the Company, except those expressly set out in this agreement;
- (b) subject to the issue of the Subscription Shares to the Subscriber, the Subscriber will be entitled to appoint one nominee director to the Board as follows:
  - (i) following the Settlement Date, the Subscriber may give notice in writing to the Company of a person the Subscriber nominates as a director (Nominee), together with a consent to act as a director of the Company signed by the Nominee;
  - (ii) the Company must procure that the Board resolves to appoint (on the same terms as the other non-executive directors of the Company) the Nominee nominated under clause 6.5(b)(i) within five Business Days of receipt of the notice and the signed consent to act of the Nominee in accordance with clause 6.5(b)(i); and
  - (iii) after the appointment of the Nominee, the Company must procure that the Board:
    - (A) ensures that the Nominee is proposed for election as a director at the next annual general meeting of the Company convened after the appointment; and
    - (B) supports the election of the Nominee at the next annual general meeting of the Company convened after the appointment of the Nominee;
- (c) subject to the issue of the Subscription Shares to the Subscriber, the Subscriber will be entitled to appoint a nominee to the position of executive consultant to the Company and the Company must procure that the Board resolves to appoint such nominee within 7 days of receiving written notice of such appointment;
- (d) as soon as is reasonably practicable after the issue of the Subscription Shares to the Subscriber (but in any event, not later than 30 days after the Settlement Date), the Company will call (on the minimum notice period prescribed in the Company's constitution) and, on the first Business Day following the expiry of such notice and any deemed delivery period, hold a general meeting of Shareholders, which meeting will seek Shareholder ratification of the issue of the Subscription Shares and any other Shares issued, in accordance with ASX Listing Rule 7.4 and for all other purposes, such that the Company's full 15% capacity under ASX Listing Rule 7.1 is refreshed;
- (e) subject to Shareholders passing the resolution referred to in clause 6.5(d) and subject to the Subscriber giving written notice to the Company within 14 days after the general meeting referred to in clause 6.5(d) that it wishes to subscribe for further Shares, the Company and the Subscriber will enter into a further agreement on substantially the same

terms as this agreement (save for clause 6.5(b) and this clause 6.5(e)), which agreement will entitle the Subscriber to subscribe within 7 days of the notice given under this clause 6.5(e) for such number of additional Shares as is necessary to provide the Subscriber with a relevant interest in a total of 19.9% of the Shares. For the avoidance of doubt, the Company agrees that the issue price for Shares issued pursuant to this clause 6.5(e) will be the Subscription Price; and

- (f) the Subscriber has relied upon the truth and accuracy of the representations, warranties and acknowledgments contained in clauses 6.1, 6.4 and 6.5 (as they apply to the Company) in entering into this agreement.

#### **6.6 Notification of breach or potential breach of warranties**

- (a) The Company undertakes that it will promptly notify the Subscriber if it becomes aware of a breach or potential breach of any of the representations, warranties, acknowledgements or agreements in clauses 6.1, 6.4 or 6.5 as they apply to the Company.
- (b) The Subscriber undertakes that it will promptly notify the Company if it becomes aware of a breach or potential breach of any of the representations, warranties, acknowledgements or agreements in clauses 6.1, 6.2 or 6.3 as they apply to the Subscriber.

#### **6.7 Consequences of material breach of warranties**

- (a) The Company is not obliged to issue any Subscription Shares to the Subscriber if, at any time prior to the issue of the Subscription Shares on the Settlement Date, the Subscriber is in material breach of one or more of its representations, warranties or agreements in this clause 6.
- (b) The Subscriber is not obliged to subscribe for the Subscription Shares if, at any time prior to it subscribing for the Subscription Shares on the Settlement Date, the Company is in material breach of one or more of its representations, warranties or agreements in this clause 6.

#### **6.8 Separate warranties**

Each of the representations, warranties, acknowledgements and agreements in clauses 6.1, 6.2, 6.3, 6.4 and 6.5 of this agreement is to be treated as a separate representation, warranty, acknowledgement and agreement. The interpretation of any statement made may not be restricted by reference to or inference from any other statement.

### **7. Termination**

#### **7.1 Termination by the Company**

The Company may, by notice to the Subscriber, terminate this agreement in respect of its obligations to the Subscriber without cost or liability, before the issue of the Subscription Shares to the Subscriber, if any one or more of the following occur before the issue of those Shares:

- (a) the Subscriber is in material breach of any terms and conditions of this agreement without the written consent of the Company; or
- (b) any of the representations or warranties given by the Subscriber in clauses 6.1 or 6.2 are not, or cease to be, true and correct in any material respect.

#### **7.2 Termination by the Subscriber**

The Subscriber may, by notice to the Company, terminate this agreement in respect of its obligations without cost or liability, before the issue of the Subscription Shares, if any one or more of the following occur before the issue of the Subscription Shares:



- (a) the Company is in breach of any terms and conditions of this agreement without the written consent of the Subscriber; or
- (b) any of the representations, warranties or acknowledgments given by the Company in clauses 6.1, 6.4 or 6.5 are not, or cease to be, true and correct in any respect.

### **7.3 Effect of termination**

If this agreement is terminated under this clause 7.3, this agreement is at an end and each party is released from the provisions of, and its obligations under, this agreement other than the provisions of, and its obligations under, clauses 10.14 to 10.17 inclusive.

## **8. Limitation of liability**

- (a) The Subscriber enters into this deed only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with this agreement is limited to and can be enforced against the Subscriber only to the extent to which it can be satisfied out of assets of the Trust out of which the Subscriber is actually indemnified for the liability. This limitation of the Subscriber's liability applies despite any other provision of this agreement or any other document and extends to all liabilities and obligations of the Subscriber in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this agreement.
- (b) The Company may not sue the Subscriber in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to property of the Trust), a liquidator, an administrator or any similar person to the Subscriber or prove in the liquidation, administration or arrangement of or affecting the Subscriber (except in relation to property of the Trust).
- (c) No attorney, agent, receiver or receiver and manager appointed in accordance with this agreement has authority to act on behalf of the Subscriber in a way which exposes the Subscriber to any personal liability.
- (d) The Subscriber is not obliged to do or refrain from doing anything under this deed (including, without limitation, incur any liability) unless that Trustee's liability is limited in the same manner as set out in paragraphs (a) to (c) of this clause 8.

## **9. Notices and other communications**

### **9.1 Service of notices**

A notice, demand, consent, approval or communication under this agreement (Notice) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

### **9.2 Effective on receipt**

A Notice given in accordance with clause 9.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);

- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice, but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

## **10. Miscellaneous**

### **10.1 Alterations**

This agreement may be altered only in writing signed by each party.

### **10.2 Approvals and consents**

Except where this agreement expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this agreement.

### **10.3 Assignment**

A party may only assign this agreement or a right under this agreement with the prior written consent of the other party.

### **10.4 Costs**

Each party must pay its own costs of negotiating, preparing and executing this agreement.

### **10.5 Stamp duty**

Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this agreement or any transaction contemplated by this agreement must be paid by the Subscriber.

### **10.6 Survival**

Any indemnity or any obligation of confidence under this agreement is independent and survives termination of this agreement. Any other term by its nature intended to survive termination of this agreement survives termination of this agreement.

### **10.7 Counterparts**

This document may be executed in any number of counterparts. Each counterpart constitutes an original of this document, all of which together constitute one instrument. A party who has executed a counterpart of this document may exchange it with another party by faxing, or by emailing a pdf (portable document format) copy of, the executed counterpart to that other party, and if requested by that other party, will promptly deliver the original by hand or post. Failure to make that delivery will not affect the validity of this document.

### **10.8 No merger**

The rights and obligations of the parties under this agreement do not merge on completion of any transaction contemplated by this agreement.

### **10.9 Entire agreement**

This agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

### **10.10 Further action**

Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this agreement and any transactions contemplated by it.

#### **10.11 Severability**

A term or part of a term of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

#### **10.12 Waiver**

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

#### **10.13 Relationship**

Except where this agreement expressly states otherwise, it does not create a relationship of employment, trust, agency or partnership between the parties.

#### **10.14 Confidentiality**

A party may only use confidential information of another party for the purposes of this agreement, and must keep the existence and the terms of this agreement and any confidential information of another party confidential except where:

- (a) the information is public knowledge (but not because of a breach of this agreement) or the party has independently created the information;
- (b) disclosure is required by law or a regulatory body (including a relevant securities exchange), provided that the party required to make such disclosure agrees to consult with the other party to the extent reasonably practicable as to the form and content of the disclosure prior to making it; or
- (c) disclosure is made to a person who must know for the purposes of this agreement on the basis that the person agrees in writing to keep the information confidential.

#### **10.15 Announcements**

A public announcement in connection with this agreement or any transaction contemplated by it must be agreed by the parties before it is made, except if required by law or a regulatory body (including a relevant securities exchange) or this agreement.

#### **10.16 Time is of the essence**

Time shall be of the essence of this agreement.

#### **10.17 Governing law and jurisdiction**

This agreement is governed by the law of New South Wales, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## Signing page

EXECUTED as an agreement.

Executed by Resource Equipment  
Limited in accordance with section 127 of  
the Corporations Act 2001 (Cth):



Signature of director

Anthony Ryder

Name of director (print)

←



Signature of director/company secretary  
(Please delete as applicable)

James Cullen

Name of director/company secretary (print)

←

Executed by Carosti Investments Pty Ltd  
as trustee for Carosti Investments Unit  
Trust in accordance with section 127 of the  
Corporations Act 2001 (Cth):

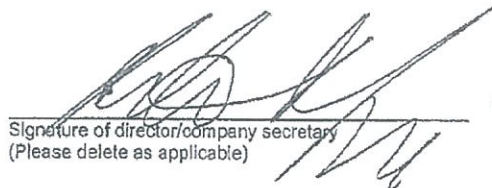


Signature of director

MARK DE AMBROSIS

Name of director (print)

←



Signature of director/company secretary  
(Please delete as applicable)

Name of director/company secretary (print)

←