



Registration of a Charge

Company name: **AUSINOX PLC**

Company number: **09145944**



X4AVYT4J

Received for Electronic Filing: **03/07/2015**

Details of Charge

Date of creation: **23/06/2015**

Charge code: **0914 5944 0001**

Persons entitled: **WOODGATE INVESTMENT LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **DOMINIC TRAYNOR**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9145944

Charge code: 0914 5944 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd June 2015 and created by AUSINOX PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd July 2015 .

Given at Companies House, Cardiff on 6th July 2015

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

DATED 23 JUNE 2015

AUSINOX PLC

AND

WOODGATE INVESTMENT LTD

DEBENTURE

RONALDSONS LLP
Solicitors
55 Gower Street
London WC1E 6HQ

We hereby certify
this to be a true copy
of the original


Ronaldsons LLP

3/7/15

RONALDSONS LLP
Solicitors
55 GOWER STREET
LONDON WC1E 6HQ

DEBENTURE

THIS DEBENTURE is made the 23rd day of June 2015

BETWEEN:-

- (1) **AUSINOX PLC** (Company No.09145944) whose registered office address is situate at 55 Gower Street, London WC1E 6HQ ("the Company") and
- (2) **WOODGATE INVESTMENT LTD** of BMW Plaza, 9th floor, 50 street, 0816-00744, Panama ("Registered Holder")

RECITALS:-

- (A) The Company and the Registered Holder have entered into the Convertible Loan Note Instrument under which the Registered Holder has agreed to advance the Principal to the Company on the Subscription Date and the Company has agreed to issue the Loan Notes to the Registered Holder subject to the execution of the Security Document in the form of this Debenture.
- (B) The Company has agreed to apply the Principal from the Loan Notes for the purposes set out in paragraph 9.2(d) of the Conditions in Schedule 2 of the Convertible Loan Note Instrument which include the purchase of APL Shares, which represent the entire issued capital of APL and the WRM Shares which represent approximately 20% of the issued capital of WRM at the date of this Debenture.
- (C) The principal assets of APL on completion of the purchase of the APL Shares will comprise an initial equitable interest of 51% (increasing to 75%) of all joint venture property comprising the Stainless Steel Alloy Joint Venture, including:
 - (i.) The Oxide Mining Rights;
 - (ii.) The Range Well Mineral Resources;
 - (iii.) The Mining Information; and
 - (iv.) An equitable interest of 75% in the Mining Leases.
- (D) The principal assets of WRM comprise an equitable interest of:
 - (i.) 100% in the Sulphide Mining Rights;
 - (ii.) Initially 49% (diluting to 25%) of all joint venture property comprising the Stainless Steel Alloy Joint Venture as set out in Recital C (i) to (iv); and
 - (iii.) 25% in the Mining Leases
- (E) The Company has agreed to enter into this Debenture in the form of a first ranking fixed charge over the WRM Shares, the APL Shares and funds raised to complete the definitive feasibility study for the Stainless Steel Alloy Project to secure the payment of the Liabilities under the Loan Notes to the Registered Holder until the Repayment Date or the Conversion Date.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:

- (a) Capitalised terms shall have the same meaning as those terms are defined in the Convertible Loan Note Instrument unless otherwise defined in this Debenture; and
- (b) The following definitions shall apply, unless the context otherwise requires:

"APL" means Ausinox Pty Limited, a company incorporated in Western Australia (ACN 145 758 050) whose registered office is at Level 9, Septimus Roe Building, 256 Adelaide Terrace, Perth, Western Australia 6005, Australia;

"APL Shares" means 20,450,000 ordinary shares representing the entire issued capital of APL at the date of this Debenture and any further shares in APL acquired by the Company after that date;

"Company" includes its successors in title and assigns and those deriving title therefrom or otherwise entitled to redeem the security constituted hereby;

"Convertible Loan Note Instrument" means the secured convertible loan note instrument of even date pursuant to the terms of which the Company has agreed to repay the Liabilities to the Registered Holder.

"Debenture" means the debenture constituted by this document;

"JORC Code" means the current code for Reporting of Mineral Resources and Ore Reserves as adopted by the Australasian Joint Ore Reserves Committee which is sponsored by the Australian Mining industry and its professional organisations for the purposes of compliance with the Listing Rules;

"Liabilities" means all or any part or parts of the Outstanding Money whether present or future actual or contingent now or at any time and from time to time due and payable to the Registered Holder and outstanding under the provisions of the Convertible Loan Note Instrument or the provisions of this Debenture and all costs charges and expenses to which the Registered Holder shall be put by reason of any failure by the Company to repay the Outstanding Money due, owing or incurred to the Registered Holder.

"Mining Information" means all information, data and intellectual property rights arising from prospecting and exploring for, drilling, sampling, mineralogical analysis, metallurgical testwork, scoping and feasibility studies for the production of minerals and metals from the mining and processing of Oxide Minerals under the Stainless Steel Alloy Joint Venture Agreement;

"Mining Leases" the mining leases the subject of the Stainless Steel Alloy Joint Venture including M20/246-1, M51/434-1, M51/442-1, M51/443-1, M51/457-1, M51/481-1, M51/498-1, M51/719-1, M51/872-1, M51/873-1, M51/874-1, M51/875-1, M51/876-1 near the Weld Range in the Murchison District of Western Australia, and any other mining tenements acquired under the Stainless Steel Alloy Joint Venture Agreement;

"Oxide Minerals" means all minerals within the Mining Leases containing nickel, chromium, copper, cobalt, iron, manganese, magnesium, gold and any other metals contained in or associated with minerals containing any one or more of those metals, including the Range Well Resources and any extension or addition thereto, from surface to a depth of 50 meters or to the base of weathering or oxidation of fresh rock, whichever is the greater.

"Oxide Mining Rights" means the rights to explore and prospect for, evaluate, develop, mine, process, extract, produce and sell or otherwise exploit Oxide Minerals and any metals contained in Oxide Minerals in the Mining Leases;

"Range Well Resources" means the Range Well Chromium Resources and the Range Well Nickel Resources;

"Range Well Chromium Resources" means the JORC-defined inferred mineral resource of 63.5 million tonnes at 5.22% Chromium, 35.40% Iron, 0.38% Nickel and 0.04% Cobalt at a cut off grade of 4% Chromium, representing over 3.3Mt of Chromium, contained within the Mining Leases;

"Range Well Nickel Resources" means the JORC-defined inferred mineral resource of 385.3 million tonnes at 0.64% Nickel, 19.71% Iron, 0.78% Chromium and 0.04% Cobalt at a cut off grade of 0.5% Nickel, representing over 2.4 million tonnes of Nickel contained within the Mining Leases;

"Stainless Steel Alloy Joint Venture" means the Stainless Steel Alloy Joint Venture constituted by the Stainless Steel Alloy Joint Venture Agreement;

"Stainless Steel Alloy Joint Venture Agreement" means the Stainless Steel Alloy Joint Venture Agreement between WRM and APL dated 21 January 2015;

"Stainless Steel Alloy Project" means the evaluation and, if feasible, the production of alloys and other products containing nickel, chromium, iron and other metals from the development, mining and processing of Oxide Minerals in accordance with the Stainless Steel Alloy Joint Venture Agreement;

"Sulphide Minerals" means all minerals and metals contained within those minerals other than Oxide Minerals and includes all platinum group metals, nickel, copper and other metals contained in sulphides within the Mining Leases;

"Sulphide Mining Rights" means the rights to explore and prospect for, evaluate, develop, mine, process, extract, produce and sell or otherwise exploit Sulphide Minerals and any metals contained in Sulphide Minerals in the Mining Leases;

"WRM" means Weld Range Metals Limited, a company incorporated in Western Australia (ACN 009 200 079) whose registered office is at Level 9, Septimus Roe Building, 256 Adelaide Terrace, Perth, Western Australia 6005, Australia;

"WRM Shares" means 17,311,834 ordinary shares representing approximately 20% of the issued capital of WRM at the date of this document and any further shares in WRM acquired by the Company after that date;

1.2 Interpretation

Where the context so admits:-

- (a) references herein to an Act of Parliament or to any particular Act of Parliament shall include any modification, extension or re-enactment thereof for the time being in force and shall also include all instruments, orders, plans, regulations, permissions and directions at any time deriving validity therefrom;
- (b) any reference herein to a person shall include a company, partnership or unincorporated association;
- (c) any reference to any statute, statutory provision or agreement shall be construed as a reference to such statute, provision or agreement as the same may have been amended re-enacted or novated from time to time;
- (d) a company or corporation is a "subsidiary" of another if:-
 - (i) it is controlled directly or indirectly by that other company or corporation; or
 - (ii) more than half of its issued share capital is owned directly or indirectly by that other company or corporation; or
 - (iii) it is a subsidiary of another subsidiary of that other company or corporation; and
- (e) a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

2. COVENANT TO PAY

The Company hereby covenants with the Registered Holder that it shall discharge all obligations and liabilities whether actual or contingent and pay satisfy and discharge the Liabilities in accordance with the provisions of this Debenture and the Convertible Loan Note Instrument.

3. THE SECURITY

- 3.1 The Company as beneficial owner, with the intent that the security created shall rank as a continuing security for the value equal to the Liabilities to the Registered Holder, hereby charges:-
- (a) by way of fixed charge, that sum of the proceeds received by the Company, or a subsidiary of the Company, from the fundraising by the Company to fund completion of a definitive feasibility study on the Stainless Steel Alloy Project after the issue of Loan Notes which is equal to the Principal and Interest due to the Noteholders on the date on which those proceeds are received by the Company or a subsidiary of the Company;
 - (b) by way of fixed charge, the WRM Shares on the date on which the WRM Shares are acquired by the Company; and
 - (c) by way of fixed charge, the APL Shares on the date on which the Minimum

Subscription is received by the Company,

until all of the Liabilities due to the Registered Holder are satisfied and discharged in full on the Repayment Date or the Conversion Date.

- 3.2 The property described in paragraphs (a) - (d) above is hereinafter (severally) referred to as "the Charged Property".
- 3.3 The charges hereby created shall rank in order of priority.
- 3.4 The security upon the Charged Property shall not be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Liabilities but shall constitute and be a continuing security to the Registered Holder notwithstanding any settlement of account or other matter or thing whatsoever.
- 3.5 The security hereby created shall be in addition to and shall not operate so as in any way to prejudice or affect (or be prejudiced or affected by) the security created by any deposit which may already have been made or may hereafter be made with the Registered Holder of any title deeds and documents whether relating to the Charged Property or otherwise or by any bill, note, guarantee, mortgage, charge, pledge or other security or remedy or lien on any property whether real personal or in action which the Registered Holder may now or any time hereafter hold for or in respect of the Liabilities to the intent that the security hereby created shall not merge therein nor shall any such security merge herein.

4. PERFECTON OF THE SECURITY

- 4.1 The Company will upon demand of the Registered Holder from time to time execute as a deed and deliver a formal assignment assurance or charge in such form as the Registered Holder may require of all or any part of the property assets or other matters referred to in clause 3.1 above not now in existence and that pending any such assignment assurance or charge the Company shall hold the same upon trust for the Registered Holder subject only to the provisions of this Debenture and following any such formal assignment assurance or charge the same shall form part of the Charged Property for all the purposes of this Debenture.
- 4.2 Without prejudice to the covenants for further assurance contained in Section 76(1)(C) of the Law of Property Act 1925 the Company shall from time to time on demand of the Registered Holder and at the Registered Holder's cost execute such other legal or equitable assignments mortgages charges or other securities and in whose favour and in such form as the Registered Holder shall stipulate over the Company's estate or interest in any property or assets of whatsoever nature and wheresoever situate for the purpose of more effectively providing security to the Registered Holder for the payment and discharge of the Liabilities.
- 4.3 Unless the same shall be held by or be required to be delivered by any holder of a security ranking in priority to that of the Registered Holder the Company shall immediately upon the execution of this Debenture (or upon becoming possessed thereof at any time hereafter) deposit with a reputable financial institution, law firm or firm of chartered accountants nominated, subject to the approval of the Company, by the Noteholder who shall hold on trust for the Registered Holder all deeds, certificates and other documents constituting or evidencing title to the Charged Property or any part thereof.

5. DEALING WITH DEBTS AND INTELLECTUAL PROPERTY

5.1 The Company shall not at any time prior to the discharge of this security without the consent of the Registered Holder deal with the intellectual property or any part thereof or any claims deriving from the intellectual property and in particular shall not assign licence or charge the same and if called upon to do so by the Registered Holder execute such legal assignment of the intellectual property as the Registered Holder may require.

5.2 During the continuance of this security the Company shall:

- (a) pay into the current account of the Company all moneys which it may receive in respect of the book debts and other debts hereby charged and (subject to any rights of its bank in respect thereof) pay or otherwise deal with such moneys standing in such account in accordance with any directions from time to time given in writing by the Registered Holder and in default and subject to any such directions deal with the same only in the ordinary course of getting in and realising the same (but not sell assign factor or discount the same in any way); prior to any demand being made under clause 5 hereof in the absence of any directions from the Registered Holder any moneys received by the Company and paid into such account in respect of the book debts and other debts hereby charged shall upon such payment in stand released from the fixed charge on such debts hereinbefore by this Debenture created; and any such release shall in no respect derogate from the subsistence and continuance of the said fixed charge on all other book and other debts of the Company for the time being outstanding;
- (b) if called upon to do so by the Registered Holder execute a legal assignment of such book debts and other debts to the Registered Holder in such terms as the Registered Holder may require and give notice thereof to the debtors from whom the debts are owing or incurred and take such other steps as the Registered Holder may require to perfect such legal assignment;
- (c) permit the Company's bank to furnish directly to the Registered Holder from time to time upon request full statements and particulars of all the company's accounts with such bank and such other financial statements and information respecting the assets and liabilities of the Company as are from time to time available to the Company's bank.

6. COVENANTS

6.1 The Company represents and warrants to the Registered Holder that:

- (a) it is duly incorporated and validly existing under the laws of England and Wales;
- (b) it has the power to enter into this Debenture and perform its obligations hereunder and to create the security (the "Security") over the Charged Property;
- (c) it has taken all necessary corporate action to authorise the execution and delivery of this Debenture and the performance of its obligations hereunder and the creation of the Security;
- (d) its entering into this Debenture and the performance of its obligations

hereunder and the creation of the Security will not contravene any law, regulation, agreement or judicial or official order to which it is a party or by which it is bound, or cause any limitation on any of its powers however imposed, or the right or ability of its directors to exercise any of such powers, to be exceeded;

- (e) all actions, authorisations and consents required or advisable in connection with the creation, performance, validity and enforceability of this Debenture and the Security and the transactions hereby contemplated and to ensure that (subject to all necessary registrations being made) the Security constitutes a valid, legal, binding and enforceable first fixed Security Interest over the relevant Charged Property ranking in priority to the interests of any liquidator, administrator or creditor of the Company have been obtained or effected and are and shall remain in full force and effect;
- (f) it is and will be the sole absolute unencumbered beneficial owner of the Charged Property free of any other Security Interest or third party claim or interest;
- (g) it has not (otherwise than pursuant to this Debenture) created any Security Interest over the Charged Assets or any interest thereunder, or permitted that to occur or agreed conditionally or unconditionally to do so;
- (h) its obligations under this Debenture and (subject to all necessary registrations being made) the Security are and until fully and unconditionally discharged will be valid, legal, binding and enforceable, and the Security constitutes and will remain a valid, legal, binding and enforceable first fixed Security Interest over the relevant Charged Property, ranking in priority to the interests of any liquidator, administrator or creditor of the Company;
- (i) each of the above representations and warranties will be correct and complied with in all respects at all times during the continuance of the Security as if repeated by reference to the circumstances existing at such times; and
- (j) the Company has obtained and maintained all such Insurances as would be maintained by prudent companies carrying on business of the type carried on by the Company at all relevant times and has complied in all material respects with the terms and conditions of such insurances.

6.2 At all times until this security is discharged the Company hereby covenants with the Registered Holder that it shall:-

- (a) send to the Registered Holder a copy of its Directors' Report and audited accounts and those of each of its subsidiaries at the same time as the same are issued to the shareholders entitled thereto.
- (b) not without the prior consent in writing of the Registered Holder to make or incur any capital expenditure or liabilities of an exceptional or unusual nature other than for the purposes of the Stainless Steel Alloy Project and the Stainless Steel Alloy Joint Venture;
- (c) not to pull down or remove the whole or any part of the Charged Property consisting of buildings or other erections fixed plant and machinery without the previous consent in writing of the Registered Holder;

- (d) insure and keep insured such parts of the Charged Property as are of an insurable nature against loss or damage by fire lightning explosion storm tempest flood aircraft and other aerial devices earthquake riot civil commotion and malicious damage and such other risks as the Registered Holder may from time to time reasonably require in the amount of their full reinstatement or replacement value (including adequate provision for professional fees value added tax (if any) and where appropriate three years' loss of rent cover) and effect and maintain such other insurances against such other risks as the Registered Holder may from time to time reasonably require in such name or names and in such offices or at Lloyd's as the Registered Holder shall approve and pay all premiums and monies necessary for effecting and keeping up such insurances on the first day on which the same ought to be paid all such insurances to be in the joint names of the Company and the Registered Holder and if required deliver to the Registered Holder such policy or policies and the receipt for every premium payable in respect thereof and hold all monies received on any insurance whatsoever in respect of loss or damage to the Charged Property whether pursuant to the covenant herein contained or otherwise on trust for the Registered Holder to be applied in making good the loss or damage in respect of which the monies are received or subject to the provisions of any Lease binding on the Registered Holder as mortgagee in or towards discharge of the sums for the time being owing hereunder as the Registered Holder may in its absolute discretion require;
- (e) to comply or cause compliance in all respects with the provisions of all statutes for the time being in force and requirements of any competent authority relating to the Charged Property;
- (f) preserve maintain and renew when necessary all intellectual property of the Company and observe and perform all covenants and stipulations from time to time affecting any such property or rights or any licence or ancillary or connected rights from time to time relating thereto.
- (g) promptly pay all rents rates taxes duties assessments or other outgoings payable in respect of the Charged Property or any part thereof;
- (h) keep all trade and other fixtures fittings fixed and other plant and machinery forming part of the Charged Property in good and substantial repair and upon reasonable prior written notice permit the Registered Holder its officers employees and agents free access at all reasonable times to view the state and condition of the foregoing without becoming liable to account as a mortgagee in possession;
- (i) observe and perform all restrictive and other covenants and stipulations for the time being affecting any part of the Charged Property or the use or the enjoyment of the same or any part thereof;
- (j) not without the prior written consent of the Registered Holder confer on any other person any right or licence to occupy any land or buildings forming part of the Charged Property or any licence to assign or sub-let any part of the Charged Property;

- (k) indemnify the Registered Holder (and as a separate covenant any Receiver or Receivers appointed by it) against all existing and future rents taxes duties fees renewal fees charges assessments impositions and outgoings whatsoever (whether imposed by deed or statute or otherwise and whether in the nature of capital or revenue and even though of a wholly novel character) which now or at any time during the continuance of the security constituted by or pursuant to this Debenture are payable in respect of the Charged Property or any part thereof or by the owner or occupier thereof;
- 6.3 The Company shall not without the consent of the Registered Holder at any time prior to the discharge of this security:-
- (a) sell convey transfer or assign nor create agree to create or suffer to subsist any mortgage charge lien or other security interest on the Charged Property other than the charges created by this Debenture;
 - (b) create or permit to subsist over all or any of its present or future revenues or assets any mortgage charge pledge lien (other than a lien arising by operation of law in the ordinary course of business) or other encumbrance; or
 - (c) sell lease transfer or otherwise dispose of by one or more transactions or series of transactions (whether related or not) the whole or any part of its assets or enter into any agreement to do any of the foregoing.
- 6.4 (a) If the Company shall make default in the observance and performance of any of the covenants herein contained (including without limitation the covenants for repair and insurance of the Charged Property) it shall be lawful for (but not obligatory upon) the Registered Holder, a receiver or any other agent appointed by the Registered Holder to carry out all such remedial acts as the Registered Holder shall in its absolute discretion think fit and any sum of money expended or to be expended by the Registered Holder or the Receiver or any other said agent by virtue of the powers contained in this sub-clause shall until repayment by the Company be in addition to the Liabilities hereby secured and be a charge on the Charged Property and shall be repayable by the Company with interest thereon as hereinbefore provided;
- (b) If the Company shall have failed to deliver on demand the policy or the current premium receipt in respect of the insurance for any portion of the Charged Property, the Registered Holder shall be entitled to assume that the Company has made default in insuring the same within the meaning of this clause.

7. EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925

- 7.1 Section 103 of the Law of Property Act 1925 shall not restrict the exercise by the Registered Holder of the statutory power of sale conferred on it by Section 101 of such Act, which power of sale shall arise and may be exercised by the Registered Holder at any time after the Registered Holder shall have demanded the payment or discharge by the Company of all or any of the Liabilities and the provisions of the said Act relating to and regulating the exercise of the said power of sale shall so far as they relate to the security constituted by or pursuant to this Debenture be varied and extended accordingly.

- 7.2 The powers of leasing letting entering into agreements for leases or lettings and accepting and agreeing to accept surrenders of leases conferred by Sections 99 and 100 of the Law of Property Act 1925 shall not be exercisable by the Company in relation to any part of the Charged Property without the prior written consent of the Registered Holder but the foregoing shall not be construed as a limitation of the powers of any Receiver appointed hereunder and being an agent of the Company. Such statutory powers shall be exercisable by the Registered Holder at any time after the Registered Holder shall have demanded the payment or discharge by the Company of all or any of the Liabilities and whether or not the Registered Holder shall then be in possession of the premises proposed to be leased so as to authorise the Registered Holder to make a lease or agreement for lease at a premium and for any length of term and generally without any restriction on the kinds of leases and agreements for lease that the Registered Holder may make and generally without the necessity for the Registered Holder to comply with any restrictions imposed by or the other provisions of the said Sections 99 and 100.
- 7.3 The restrictions on the right of consolidating mortgage securities contained in Section 93 of the Law of Property Act 1925 shall not apply to this Debenture.

8. RECEIVER

- 8.1 At any time after the Registered Holder shall have demanded payment of any money or the discharge of any obligation or liability hereby secured or at any time at the request of the directors of the Company the Registered Holder may by writing under the hand or seal of any duly authorised officer of the Registered Holder appoint any person (or persons) to be a receiver of the Charged Property or any part thereof and may similarly remove any receiver and appoint another jointly in his place. Any receiver so appointed shall be the agent of the Company and the Company shall be solely responsible for his acts or defaults and for his remuneration and any receiver so appointed shall have power:-
- (a) to take possession or collect and get in the property hereby charged and for that purpose to take any proceedings in the name of the Company or otherwise;
 - (b) to assign or concur in the assignment of the property and other matters hereby assigned in such manner and generally on such terms and conditions as he thinks fit and to carry out any such assignments into effect in the name of or on behalf of the Company or otherwise;
 - (c) to raise and borrow money or to charge as security all or any part of the Charged Property or any interest therein either in priority to the charges hereby created or otherwise and at such rate or rates of interest and generally on such terms and conditions as he may think fit and no person advancing any such money should be concerned to enquire into the propriety or purpose of the exercise of this power or to see to the application of any monies so raised or borrowed;
 - (d) to promote the formation of a subsidiary or subsidiaries of the Company with a view to such subsidiary or subsidiaries purchasing leasing licensing or otherwise acquiring interests in all or any of the Charged Property;
 - (e) to manage or carry on or concur in carrying on the business of the Company as he may think fit and for that purpose to raise or borrow money to rank for payment in priority to this security and with or without a charge on the

property hereby charged or any part of it;

- (f) without the restrictions imposed by Section 103 of the Law of Property Act or the need to observe any of the provisions of Sections 99 and 100 of such Act to sell by public auction or private contract lease or surrender leases or concur in selling leasing or surrendering leases of any of the Charged Property on such terms as he may think fit in the name of the Company or otherwise and so that he may do any of these things for consideration consisting of shares or securities of any other company;
- (g) to make any arrangement or compromise or enter into abandon cancel or disregard any contracts which he shall think expedient in the interests of the Registered Holder;
- (h) to make and effect such repairs renewals and improvements to the Company's buildings plant and machinery and effects as he may think fit;
- (i) to make calls conditionally or unconditionally on the members of the Company and any other person which he may think fit;
- (j) to engage and pay for the services of such lawyers accountants valuers and surveyors or other professional advisers (including his own firm) or such managers officers workmen or agents as he shall think fit for the purposes referred to in this clause;
- (k) to effect with any insurer any policy or policies of insurance as he thinks fit;
- (l) to settle arrange compromise and submit to arbitration any accounts claims questions or disputes whatsoever which may arise in connection with the business of the Company or the Charged Property or in any way relating to this security to bring take defend compromise submit to arbitration and discontinue any actions suits or proceedings whatsoever whether civil or criminal in relation to the matters aforesaid to disclaim abandon or disregard all or any of the outstanding contracts of the Company and to allow time for payment of any debts either with or without security;
- (m) to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Charged Property;
- (n) to do all such other acts and things as he may consider to be incidental or conducive to any of the matters or powers aforesaid or which the receiver lawfully may do as agent for the Company; and
- (o) to exercise any of the above powers on behalf of the Company or on his own behalf or on behalf of the directors of the Company.

8.2 Without prejudice to any other rights powers or remedies of the Registered Holder howsoever arising all or any of the powers authorities or discretions conferred expressly or impliedly upon a receiver or receivers of the whole or any part of the Charged Property (whether arising under this Debenture or otherwise) may also be exercised by the Registered Holder themselves in respect of the whole or any part of the Charged Property at any time whether with or without the appointment of a receiver and if the Registered Holder or any receiver or receivers appointed hereunder shall enter into possession of the Charged Property or any part thereof they may at any time at their discretion go out of possession.

9. PAYMENT OF PROCEEDS

Subject to claims having priority to the charges hereby created all monies received by any receiver shall be applied by him in the following order:-

- (a) in payment of the costs charges and expenses of and incidental to the appointment of the receiver and the proper exercise of all or any of his powers and of all outgoings properly paid by him;
- (b) in payment of remuneration to the receiver at such rates as may be agreed between him and the Registered Holder at or at any time after his appointment having regard to the market at that time;
- (c) in or towards satisfaction of the amount owing on this security; and
- (d) the surplus (if any) in payment to the Company or other persons entitled to it.

10. POWER OF ATTORNEY

The Company hereby irrevocably appoints the Registered Holder and any person nominated in writing under the hand or seal of the Registered Holder including every receiver appointed hereunder jointly and severally as Attorney of the Company for the Company and in its name and on its behalf and as its act and deed to execute seal and deliver and otherwise perfect any deed assurance agreement instrument or act which may be required under this security (including without limitation for any purposes referred to in clause 4 hereof) but the Registered Holder shall not use this power until the Company has failed to perform such an obligation hereunder.

11. NOTICES

- 11.1 Any notice to be served in connection with this Debenture shall be in writing (which shall include facsimile transmission) and any notice or other correspondence under or in connection with this Debenture shall be delivered to the address as shown above in the specification of the parties or as otherwise notified by the relevant party marked for the attention of its Secretary or transmitted by facsimile transmission or by first class mail in each case to the address and marked as aforesaid.
- 11.2 Any such notice or correspondence shall be deemed to have been served as follows:-
 - (a) in the case of delivery on the first business day after delivery;
 - (b) in the case of service by first class mail on the third business day after the day on which it was posted; and
 - (c) in the case of facsimile transmission on the first business day after the date when the recipient party's machine received the same.
- 11.3 In proving such service it shall be sufficient to prove that the notice or other document was properly addressed and left at or posted to the place to which it was so addressed and in the case of service by mail has not been returned by the postal authority.

12. PROTECTION OF PURCHASERS

No purchaser or other person dealing with the Registered Holder or their delegates or any receiver appointed hereunder shall be bound to see or inquire whether the right of the Registered Holder or such receiver to exercise any of its or his powers has arisen or become exercisable or be concerned with notice to the contrary or be concerned to see whether any such delegation by the Registered Holder shall have lapsed for any reason or been revoked.

13. MISCELLANEOUS

- 13.1 In the exercise of the powers hereby conferred the Registered Holder or any receiver may sever and sell plant machinery or other fixtures separately from the property to which they may be annexed.
- 13.2 The charges hereby created:-
- (a) shall be in addition to and shall be independent of every other security which the Registered Holder may at any time hold for any of the Liabilities and it is hereby declared that no prior security held by the Registered Holder over the whole or any part of the Charged Property shall merge in the security created by this Debenture; and
 - (b) shall remain in full force and effect as a continuing security unless and until the Registered Holder discharge this Debenture.
- 13.3 The Registered Holder may in their discretion grant time or other indulgence or make any other arrangement variation or release with any person or persons not party hereto (whether or not such person or persons are jointly liable with the Company) in respect of any of the Liabilities or of any other security therefor without prejudice either to this Debenture or to the liability of the Company for such obligations.
- 13.4 The rights powers and remedies provided in this Debenture are cumulative and are not nor are they to be construed as exclusive of any rights powers or remedies provided by law.
- 13.5 No failure on the part of the Registered Holder to exercise or delay on its part in exercising any of the rights powers and remedies provided by this Debenture or by law (collectively "the Registered Holder's Rights") shall operate as a waiver thereof nor shall any single or partial waiver of any of the Registered Holder's Rights preclude any further or other exercise of the Registered Holder's Rights concerned or the exercise of any other of the Registered Holder's Rights.
- 13.6 All the monies fees remuneration costs charges expenses or other sums and all liabilities reasonably and properly incurred by the Registered Holder or any receiver in relation to this Debenture or the Liabilities (including without limitation the costs charges and expenses incurred in the carrying of this Debenture into effect or in the exercise of any of the rights remedies powers conferred on the Registered Holder or any receiver hereby or in the perfection or enforcement of the security constituted hereby or pursuant hereto or in the perfection or enforcement of any other security for or guarantee in respect of the Liabilities) including all professional fees incurred shall be reimbursed by the Company to the Registered Holder or as the case may be the receiver on demand on a full indemnity basis and until so reimbursed the same shall carry interest at the rate of 7.65% per annum or part thereof from the date of the same being incurred by the Registered Holder or as the case may be the receiver and shall together with such interest be added to and form part of the Liabilities

hereby secured.

- 13.7 Any liberty or power which may be exercised or any determination which may be made hereunder by the Registered Holder may be exercised or made in the absolute and unfettered discretion of the Registered Holder who shall not be under any obligation to give reasons therefor and the Registered Holder may delegate any of their rights or powers hereunder on such terms as they may think fit.

14. GOVERNING LAW

This Debenture shall be governed by and construed in accordance with English Law.

This Debenture may be executed in any number of counterparts. Each counterpart, when duly exchanged or delivered, is an original but the counterparts together are one and the same agreement.


IN WITNESS whereof this Debenture has been duly executed as a Deed and delivered upon dating and pursuant to a resolution of the Board of Directors the Company has hereunto executed this document as a Deed the day and year first above written

EXECUTED as a DEED and)

delivered by)

AUSINOX PLC)

in the presence of:)


MICHAEL J. TAYLOR
LEVEL 9, 255 ADELAIDE TERRACE
PERTH WESTERN AUSTRALIA.



Director

EXECUTED as a DEED and)

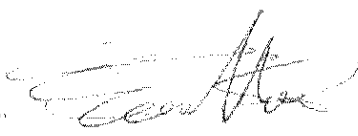
delivered by)

WOODGATE INVESTMENT LTD)

in presence of:)


Noteholder

Bernard F. Girardet


ROBERTO CASTRO