ASSET PURCHASE AND TRANSFER AGREEMENT

between

1. H. (UK) Ltd., Address, England,

- hereinafter "Purchaser" -

and

2. H. GmbH, Address, Germany,

- hereinafter "Seller" -

PREAMBLE

WHEREAS, the Seller is active in the business of the distribution of mining equipment, in particular of mining equipment manufactured by companies of the H Group of Companies, for the region EURASIA ("Business");

WHEREAS, the Business shall from now on be handled and taken care of by the Purchaser;

WHEREAS, the Seller wishes to sell and the Purchaser wishes to buy the assets and assume the liabilities of the Business, except for those assets and liabilities specified hereinafter;

NOW, THEREFORE, the parties conclude the following

ASSET PURCHASE AND TRANSFER AGREEMENT

§ 1 Sale of Assets

The Seller hereby sells to the Purchaser, which accepts such sale, all assets pertaining to the Business, including all and any pre-title rights ("Anwartschaftsrechte"), which belong to the following categories:

1.1 Fixed Assets

those fixed assets comprised by the Seller's balance sheet as of October 31, 201X, a copy of which is attached hereto as **Exhibit 1.1 (a)**, in particular those fixed assets

specifically listed in the List of Assets attached hereto as **Exhibit 1.1. (b)** (hereinafter: the "Fixed Assets");

1.2 Finished Goods

those finished goods of the Business which will be listed in **Exhibit 1.2**, which list will be prepared by the Seller on and as of the Transfer Date and will be handed over to the Purchaser by the Seller at the Transfer Date (the "Finished Goods");

1.3 Work-in-Progress

such work-in-progress belonging to or used in the Business at the Transfer Date listed in **Exhibit 1.3** (the "Work-in-Progress");

1.4 Documentation

all drawings, test and quality control data relating to past, present and future products of the Business, all customer lists, sales aids and sales literature of the Business; all books and records of the Business, whether accounting, financial, tax or otherwise, except that the Seller shall be entitled to keep copies of any such documents and materials which may remain relevant for tax purposes, in particular the preparation of tax declarations and for tax audits;

1.5 all accounts receivable, of whatever nature, as well as all cash/funds with banks in the aggregate amount of € 476,787 as set out in **Exhibit 1.1 (a)**.

The loans granted by the Seller to related companies as specified in **Exhibit 1.1 (a)** in the total amount of € 5,163,326 shall be explicitly excluded from the sale and transfer and shall remain with the Seller.

§ 2 Assumption of Liabilities

2.1 The Purchaser hereby assumes any and all liabilities or obligations of the Seller pertaining to the Business as at the Transfer Date with the exception of the following:

- all pension fund obligations of the Seller existing as at the Transfer Date as well as accruing after the Transfer Date;
- the loans granted to the Seller by related companies as specified in **Exhibit 1.1 (a)** in the total amount of € 462,287.

2.2 The Purchaser agrees to indemnify and hold harmless the Seller with respect and against any damages resulting from the assumption of any claims made by any third party with respect to any obligations assumed by the Purchaser pursuant to § 2.1 above.

§ 3 Sale of Contracts

3.1 Notwithstanding § 4 below, the Seller sells to the Purchaser, which accepts such sale, all those – and only those – contracts, purchase orders, commitments, licences and other agreements pertaining to the Business as at the Transfer Date, except for those items listed in **Exhibit 3.1**

3.2 The Purchaser agrees to indemnify and hold harmless the Seller with respect and against any damages resulting from the assumption of any claims made by any third party with respect to any obligations assumed by the Purchaser pursuant to § 3.1 above.

§ 4 Employees

4.1 On the Transfer Date, the Purchaser shall take over those employees of the Business who are listed in **Exhibit 4** in accordance with § 613a German Civil Code, including any benefits accruing to the employees on or after the Transfer Date. The Purchaser shall not take over, and the Seller shall indemnify and hold harmless the Purchaser from and against, all obligations vis-à-vis and benefits in favour of, the employees attributable to periods prior to the Transfer Date. Should any employees of the Seller who are not listed in **Exhibit 4**, however, transfer to the Purchaser by operation of law, the Purchaser shall be entitled to terminate the employment relationship of such employees and the Seller shall hold the Purchaser harmless from all liabilities and obligations whatever resulting from such transfer of the employment relationship. To the extent that any employees are not contained in **Exhibit 4**, or object to the transfer, they shall remain with the Seller, and the Purchaser shall have no liability in connection with such employees whatsoever.

4.2 The Purchaser agrees to indemnify and hold harmless the Seller with respect and against any damages resulting from the assumption of any claims made by any third party with respect to any obligations assumed by the Purchaser pursuant to § 4.1 above.

§ 5 Transfer Date

As between the Seller and the Purchaser the transfer of assets, the assumption of liabilities and the transfer of contracts shall have occurred with economic effect as of the Transfer Date. The Transfer Date shall be October 31, 201X, 24:00 hours/November 01, 200X, 0:00 hours. The risk of loss with respect to the assets sold pursuant to § 1 shall have passed from the Seller to the Purchaser on the Transfer Date.

§ 6 Transfer

6.1 The Seller hereby transfers, and the Purchaser hereby takes over, effective as of the Transfer Date the respective assets, liabilities and contracts sold to the Purchaser

pursuant to §§ 1 to 4, including all rights and obligations thereunder, except as provided herein otherwise.

6.2 The Seller and the Purchaser are in agreement that title to, and possession of, all assets sold pass to the Purchaser acquiring the relevant asset pursuant to § 1 hereof; to the extent that any assets are in the possession of third parties, the Seller hereby assigns to the Purchaser its rights against such third parties.

6.3 The Seller and the Purchaser shall cooperate in notifying, to the extent appropriate, the other contractual parties to the contracts taken over by the Purchaser and the creditors of the liabilities taken over by the Purchaser, and in obtaining their consent to the takeover if necessary. Should any such consent be withheld, the Purchaser shall perform the respective contracts, obligations and liabilities on behalf of the Seller but on the account of the Purchaser. The Purchaser shall hold the Seller harmless from all liabilities and obligations resulting from the contracts and liabilities taken over and assumed by the Purchaser under this agreement.

6.4 To the extent additional documents or actions are required or beneficial for purposes of a transfer or a required registration of any transfer contemplated hereunder, the Seller shall cooperate with the Purchaser.

§ 7 Purchase Price

7.1 The Purchase Price for all assets and contracts sold pursuant to §§ 1 and 3 shall be the sum of

- the amount of £ 4.460.000 (in words: Pounds Sterling four million four hundred and sixty thousand) and

- the assumption of all those liabilities, which are taken over pursuant to this Agreement.

7.2 The Purchase Price shall be settled by inter-company-cross-charge.

7.3 To the extent applicable, value added tax shall be paid by the Purchaser in addition to the Purchase Price.

§ 8 Representations and Warranties

8.1 The Seller represents and warrants to the Purchaser as of the date hereof and as of the Transfer Date that:

8.1.1 Assets

(i) except for vendor security interests arising in the ordinary course of business with respect to moveable assets, the Seller is the unrestricted

owner of its moveable assets and inventories; these assets are not subject to any other third party rights or otherwise encumbered;

(ii) the Fixed Assets, the Finished Goods, the Work-in-Progress and the Raw Materials and Consumables of the Business are in a good condition as is customary in the ordinary course of business;

8.1.2 Litigation and Compliance

except as set out in **Exhibit 8.1.2**, there is as of the Transfer Date no litigation or administrative procedure pending or threatened to which the Seller is or could be a party and which relates to the Business; and there are no judgments or orders relating to the Business that prohibit the Seller from or limit it in taking certain actions;

8.1.3 Agreements

except for those listed in the **Exhibits** referenced below, there are as of the Transfer Date no agreements or other commitments of the Seller relating to the Business of the types described below or otherwise with a material impact on the financial condition of the Business or on the Business as such; except in the ordinary course of business, the agreements listed remain unchanged and no circumstances exist, including the transactions contemplated in this Agreement, which will impair or endanger the unaltered continuation of such agreements:

(i) employment agreements as listed in **Exhibit 8.1.3 (i)**;

(ii) any consultancy agreements. Existing agreements are listed in **Exhibit 8.1.3 (ii)**;

(iii) license or other agreements relating to intellectual property rights. Existing agreements are listed in **Exhibit 8.1.3 (iii)**;

(iv) agreements with customers or suppliers with an annual value in excess of € 100,000.00 exceeding the ordinary scope of business, in particular, agreements that contain unusual discounts, cash-discounts, bonuses, or advance payments, or which have been calculated below cost. Existing agreements are listed in **Exhibit 8.1.3.4**;

(v) rental and lease agreements. Existing agreements are listed in Exhibit **8.1.3.5**;

(vi) active or passive loan, credit, guarantee and security agreements, letters of credit and surety undertakings of any nature, except usual performance guarantees and loans to employees not in excess of two months' salaries. Existing agreements are listed in Exhibit **8.1.3.6;**

(vii) sales representative, agency and distribution agreements. Existing agreements are listed in **Exhibit 8.1.3.7;**

(viii) insurance policies, other than automobile insurance. Existing agreements are listed in **Exhibit 8.1.3.8**;

(ix) works council agreements and agreements with unions. Existing agreements are listed in **Exhibit 8.1.3.9**;

The Seller has delivered to the Purchaser complete copies of all agreements referred to above;

8.1.4 Performance of Agreements

until the Transfer Date, the Seller has performed or has taken all action necessary to perform when due all obligations under the agreements referred to above; none of the agreements listed in any **Exhibit** to this Agreement contains an express provision by which it can be terminated or modified as a result of the transfers pursuant to this Agreement; the Seller has no knowledge that any third party to any of the above agreements will modify or terminate its obligations under these agreements as a result of the transactions contemplated in this Agreement; the Seller has orderly complied with the provisions of all of these agreements, and no event has occurred which would constitute a default; prices on all agreements, bids, orders and quotes which are effective or outstanding as of the Transfer Date and relating to the products of the Business have been entered into in accordance with past practice with respect to revenues and gross profit;

8.1.5 Permits and Licenses

the Seller holds all public law or private law concessions, permits and licences required for the operation of the Business; and no withdrawal, additional conditions or limitations of these concessions, permits and licenses are threatened to the best knowledge of the Seller; **Exhibit 8.1.5** sets forth all such concessions, permits and licenses; the operation of the Business does not violate any regulations, in particular no environmental regulatory requirements;

8.1.6 Taxes

all taxes, social security contributions and other public charges attributable to periods prior to the signing date, for any of which the Purchaser could be held liable, have been paid, and all taxes, social security contributions and other public charges attributable to periods from the signing date to the Transfer Date, for which the Purchaser could be held liable, have been paid to the extent payable prior to the Transfer Date; all duties on Fixed Assets, Finished Goods, and Work-in-Progress, which should have been accounted for on the

importation from outside the European Community have been paid; prior to the Transfer Date, the Seller has filed with the appropriate authorities all required tax returns; as of the Transfer Date, the Seller is not in default in paying any taxes, public charges or social security contributions which are due;

8.1.7 Insurance

the Seller maintains in full force and effect for its own benefit policies of insurance against fire, theft and other business risks, in particular product and other liabilities, and business interruption with adequate coverage and a duration until at least October 31, 201X; a list of such policies (including covered risk, policy number, insurance carrier, annual premium and duration) is contained in **Exhibit 8.1.7**;

8.1.8 Labour Matters

all obligations whether arising by operation of law, by agreement or by past practice, for payments and contributions with respect to ordinary or extraordinary remuneration, severance payments, anniversary payments or pension and retirement benefits or other benefits not being part of the contractual remuneration to the Seller's employees, including but not limited to those set forth in Exhibits 8.1.3.1, commercially allocable to periods prior to the Transfer Date, have been paid by the Seller except as set forth in **Exhibit 8.1.8**.

8.1.9 No Material Changes

except as disclosed in Exhibit 8.1.9, since December 31, 201X:

(i) the Seller has continued to operate the Business through the Transfer Date in the ordinary course;

(ii) no material agreements of the Seller relating to the Business have been amended or terminated;

(iii) no pension benefits, bonus, profit sharing or similar payments for managing directors, senior employees or other employees relating to the Business have been introduced or existing rights been increased;

(iv) the Seller has not incurred any material liabilities or disposed of or encumbered material assets relating to the Business except in the ordinary course of business;

(v) there has not been any material adverse change in the results of operations, the financial situation, the assets, the liabilities or the equity of the Business;

(vi) there are no other circumstances in the transferred Business that could have a material adverse effect on the Business.

8.1.10 Profitability

Seller does not warrant the profitability of the Business.

8.2 If and to the extent that representations and warranties of the Seller are untrue, the Seller shall put the Purchaser in a position as if such representations and warranties were true by, at the Purchaser's option, making the representations and warranties true or paying damages in cash.

8.3 Claims of the Purchaser resulting from the breach of representations and warranties shall be made in writing by the Purchaser to the Seller and shall be time-barred after two (2) years from the Transfer Date.

§ 9 Costs and Fees

9.1 The Purchaser shall bear all professional advisors' fees and other costs incurred by both parties relating to the transfer pursuant to this Agreement and in connection with this Agreement.

9.2 The Seller shall bear all personal taxes resulting from the sale of its interests and rights.

§ 10 Miscellaneous

10.1 Amendments and modifications of this Agreement must be made in writing in order to be valid.

10.2 The partial or total invalidity of individual provisions of this Agreement shall not impair the validity of the other provisions of this Agreement. The parties undertake to replace a provision that is or has become invalid in whole or in part by a valid provision, the economic result of which comes as close as possible to that of the invalid provision. In the event that the Agreement does not deal with certain issues, the same procedure shall apply.

10.3 The parties undertake to take all actions and make declarations that are necessary and suitable to achieve the consummation of this Agreement.

10.4 All **Exhibits** to this Agreement shall be an integral part of this Agreement.

10.5 Headings are inserted for convenience only, are not part of this Agreement and shall not modify the content of any provision of this Agreement.

10.6 Where a German term has been inserted in quotation marks it alone (and not the English term to which it relates) shall be authoritative for the purpose of the interpretation of the relevant English term in this Agreement.

10.7 This Agreement shall be governed by the laws of the Federal Republic of Germany.

10.8 The courts of Frankfurt am Main shall have exclusive jurisdiction for all disputes arising out of or in connection with this Agreement.

Frankfurt am Main, this ___ day of January 201X

H. (UK) Ltd.	H. GmbH
Mr A - Director of Operations -	**Mr B** - General Manager -

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