

RKS CONSOLIDATED LIMITED
ACN 009 264 699

**NOTICE OF GENERAL MEETING OF
SHAREHOLDERS AND EXPLANATORY
STATEMENT**

**For a General Meeting of Shareholders to be held on
Thursday 7th July 2011 at 11.00am (AEST) at
Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales, Australia**

LETTER TO SHAREHOLDERS

Dear Shareholder

On 23 August 2010 your current Board of Directors successfully applied to the Supreme Court of New South Wales, and removed the company from Liquidation. This being an important step to recapitalising the company.

We have since received a proposal put forward by an investment group for the further recapitalisation of the Company. Details of the investment group are set out in the Explanatory Statement and in the attached Independent Experts Report.

The proposal from the investment group can be summarised as follows:

- (a) existing shareholders will be paid \$0.00252 cash by the investment group;
- (b) existing shareholders will be consolidated on a 1 for 9 basis;
- (c) the Company be authorised to allot and issue 300,000,000 shares to the investment group or its nominees to raise \$100,200.00 in total. The terms and conditions set out in the Explanatory Statement;
- (d) a new director representing the investment group is to be appointed, effective from the date of the general meeting proposed in the attached Notice;

The resolutions proposed in the attached Notice will enable the terms of the recapitalisation proposal (**Proposal**) to be completed.

Based on the information available, we are of the opinion that the recapitalisation proposal is in the best interests of the Company's shareholders in the absence of a superior alternative proposal, and therefore consider that the proposal should be accepted by shareholders by voting in favour of the resolutions. However, we make no promise that the proposal will enhance shareholder value and have not considered the situation of any particular shareholder. We urge you to read the attached Independent Experts Report.

Before voting on the resolutions, shareholders should consider the appropriateness of the proposal having regard to their own objectives, financial situation and needs including any taxation consequences.

Yours faithfully

Steve Nicols



Chairman

5 June 2011

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

A General Meeting of the shareholders of RKS Consolidated Limited will be held at:

Nicols and Brien
Level 2
350 Kent Street
SYDNEY NSW 2000

11.00am (AEST)
on Thursday 7 July 2011

AUSTRALIA

Phone: + 61 2 9299 2289

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11.00am (AEST).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company on facsimile number International: + 61 2 9299 2239;
- deliver the proxy to the principal office of the Company at c/- Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales, Australia
- deliver the proxy to the registered office of the Company,

so that it is received not later than 11.00am (AEST) on 5 July 2011.

Your proxy form is enclosed.

RKS CONSOLIDATED LIMITED
ACN 009 264 699

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of RKS Consolidated Limited (**Company**) will be held at Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales at 11.00am (AEST) on Thursday 7 July 2011.

AGENDA

SPECIAL BUSINESS

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as special business.

Resolution 1 – Consolidation of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to the passing of Resolutions 2 to 3 for the purposes of Section 254H of the Corporations Act and for all other purposes, approval is given for the company's existing ordinary shares be consolidated on the basis that every 9 shares be consolidated into 1 share, (fractions rounded up).

Resolution 2 – Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That, subject to the passing of Resolutions 1 and 3, for the purpose of Section 611, Item 7, of the Corporations Act, and for all other purposes, approval is given for the company to allot and issue on a post consolidation basis, 300,000,000 fully paid ordinary shares, in the capital of the company, to the parties set out in the Explanatory Statement, to raise a total amount of \$100,200".

Autus Capital Pty Ltd and related parties Voting Exclusion: The Company will disregard any votes cast on this resolution by:

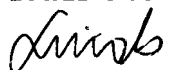
- (a) any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed, and any associates of those persons; and
- (b) a person who is to receive securities of the Company, and their associates.

Resolution 3 - Election of Mr Troy Graham

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 and 2, Mr Troy Graham, being eligible and having consented to act, be elected as a director and company secretary of the Company, effective from the closure of the Meeting."

DATED 5 June 2011



**STEVE NICOLS
CHAIRMAN**

NOTES:

1. A shareholder of the Company who is entitled to attend and vote at a general meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of Regulation 7.11.37 of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 7.00 p.m . (AEST) on 5 July 2011.

EXPLANATORY STATEMENT

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of RKS Consolidated Limited (**Company**) in connection with the general meeting of the Company.

If all of the resolutions are passed and the recapitalisation proposal is completed, the Company will be in a position to seek and pursue opportunities to enable the reinstatement of its securities to official quotation on ASX. This reinstatement is, of course, subject to the discretion of ASX. The ASX may impose further conditions, for example compliance with Chapters 1 & 2 of the ASX Listing Rules. No assurances are made as to whether or in what time frame this may occur or whether the Company will be able to identify suitable commercial opportunities to allow for reinstatement.

1.1 Overview

1.1.1 Background

A general background and history in respect of the appointment of the current directors is set out in the letter to shareholders at the beginning of this Memorandum and the shareholders notice sent out on 11 May 2010 , and as per ASX announcements.

1.1.2 Business of the Company

The Company's historical business operations involved financial services and products, including lending to developers of properties in Australia and New Zealand.

The Company had a history of significant operating losses due to adverse litigation and the competitive nature of the industries it was engaged in.

If the recapitalisation is successful, it is intended that the Company will continue to explore the possibilities of exploiting its intellectual property in the financial services industry and also to consider all worthwhile projects that can enhance shareholder value.

If required by the ASX Listing Rules, the Directors will seek the approval of shareholders prior to any material change in the business of the Company.

1.1.3 Purpose of Capital Raisings

The purpose of the capital raisings are to:

- (a) provide funds for the consideration of opportunities, as identified by the Company;
- (b) provide funds for the consideration and acquisition of other investments, as identified by the Company; and
- (c) meet the costs and expenses of the Company such as accounting and auditing expenses.

An estimated budget is set out below.

Use of Funds – Expenditure Budget

	Year 1
Total funds raised	\$ 100,200
Utilised as follows:	
Review and development of existing business	41,000
Review of other new projects, due diligence	29,000
Working capital and potential acquisitions	30,200
Total funds utilised (\$)	100,200

Proposed Capital Structure

	Shares
Current	249,701,605
Consolidation 1 for 9	27,744,622
Issue to investment group or nominees	300,000,000
TOTAL	327,744,622

1.1.4 Investment Group

The investment group is made up of the parties set out in section 1.2.1 below.

Members of the investment group have experience in public company initial public offerings, and corporate finance.

1.2 Summary of the terms of the Recapitalisation Proposal

Set out below is a detailed summary of the recapitalisation proposal.

1.2.1 Details of Recapitalisation Proposal

The recapitalisation proposal was put forward by the investment group and a \$70,000.00 non refundable deposit paid to the company to offset the costs of considering the proposal, and the convening of, and holding of the General Meeting of Shareholders. The \$70,000 will form part of the \$100,200 referred to above, if shareholders approve all resolutions herein.

Investment Group

By way of background, the representatives of the investment group comprise Autus Capital Pty Ltd and Mr Troy Graham. Detailed information in respect of these persons is set out below.

Troy Graham - Managing Director - Autus Capital Pty Ltd

Troy Graham has significant experience in the Australasian financial services sector ranging from roles in Chartered Accounting, Management Consulting, Strategy & Development, and Investment Banking. He has held roles in boutique investment banks in the Asia Pacific region and as the National Head of

Corporate Finance for institutional Australian stockbroker.

Troy is currently the Managing Director of boutique investment banking firm Autus Capital, of which its principal activities are focused on emerging and middle market company engagements, including mergers and acquisitions, capital raisings, and general strategic and corporate advice. Troy is not a director of any other ASX listed company.

Terms of the Recapitalisation Proposal

The investment group wishes to confirm that the recapitalisation proposal provides for a new director of the Company, being Troy Graham.

The essential terms of the recapitalisation proposal are as follows:

- (a) the investment group or its nominees will directly subscribe for or procure the subscription for 300,000,000 fully paid ordinary shares in the Company at an issue price of \$0.000334 each to raise \$100,200 in total;
- (b) the investment group will additionally pay all existing shareholders (of approximately 250 million), \$0.00252 cash for every share held. Existing shareholders will still retain their shares, albeit consolidated on a 1 for 9 basis. The said cash will come from the investment group, not the Company. Please note this offer is only activated upon the passing of all resolutions set out in this Notice, without alteration. The funds (\$630,000 approx) will be deposited by the Investment Group in a Trust Account controlled by Mr Steve Nicols at least 2 days prior to the meeting. If all resolutions are passed, the funds will be released within 7 days by Mr Steve Nicols. Any unrepresented cheques remaining after 3 months will be cancelled and the bank account closed after paying bank fees, and costs incurred by Mr Steve Nicols in distributing the 665 cheques.

1.2.2 ASX Listing

The Company is admitted to the Official List of ASX. However trading in the Company's existing shares was suspended on 21 July 2008. Trading in the shares will probably not recommence until all resolutions are passed and probably not until the Company complies with Chapters 1 and 2 of the Listing Rules, or until ASX advises otherwise.

The intention of the investment group with regard to the business of the Company is to use the additional working capital to be injected into the Company via the recapitalisation to seek out opportunities that might enable the Company's shares to be reinstated to quotation on ASX. There is no certain timeframe given by the investment group as to when this may occur.

1.2.3 Taxation

There may be tax consequences for shareholders arising from the recapitalisation proposal. These may vary for different shareholders. The directors consider that it is not appropriate to give advice to shareholders regarding the tax consequences of the recapitalisation proposal. Shareholders should seek specific taxation advice applicable to their own particular circumstances from their own licensed financial or tax advisers when deciding how to respond to the resolution which will be proposed at the General Meeting

and the other matters discussed in this Explanatory Statement.

1.2.4 Conclusion

The resolutions set out in the Notice are important and affect the future of the Company. However, we make no promise that the recapitalisation proposal will enhance shareholder value and have not considered the situation of any particular shareholder. Shareholders are therefore urged to give careful consideration to the Notice and the contents of this Explanatory Statement, the attached Independent Experts Report, and, in particular, the appropriateness of the recapitalisation proposal having regard to their own objectives, financial situation and needs.

2. THE RESOLUTIONS

2.1 Resolution 1 Consolidation

To give effect to the re-capitalisation, a consolidation of shares on the basis of 1 share for every 9 shares held, will be required. Please note that existing shareholders will receive approximately \$630,000 in total as a payment, equating to \$0.00252 cash for each share held.

A consolidation timetable is expected as follows:-

Consolidation Timetable

Company announces the capital consolidation by way of consolidating one (1) for nine (9) shares and fractions of securities will be rounded up	7 July 2011
Record date to determine transfers on a pre-consolidated basis	18 July 2011
Registration of securities on a post-consolidated basis	19 July 2011
Despatch date	26 July 2011

2.2.0 Resolution 2 Issue of Shares

2.2.1 Background

Approval is sought for the issue of the shares to be issued in accordance with the recapitalisation proposal.

2.2.2 ASX Listing Rules

We note pursuant to Listing Rule 7.2, Exception 16 creates an exception for Listing Rule 7.1 ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12 month period. Since approval is sought under Section 611 of the Corporations Act 2001, approval is not required under

Listing Rule 7.1 also.

2.2.3 Section 611 of the Corporations Act

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

The "associate" reference includes a reference to a person in concert with whom a primary person is acting or proposes to act.

A person has a relevant interest in securities if they:

- (c) are the holder of the securities;
- (d) have the power to exercise, or control the exercise of, a right to vote attached to securities; or
- (e) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Pursuant to the terms of the recapitalisation proposal, the Company has agreed to allot and issue a total of 300,000,000 shares to members of the investment group (or their nominees) (subject to certain conditions being satisfied). Troy Graham currently holds 4 million shares. The Company has been provided with a list of the investment group members together with the maximum number of shares each member is proposing to subscribe for or procure subscriptions for. This is set out below in the table .

The maximum number of shares that may be taken up by members of the investment group is set out below:

Investment Group Member	Maximum No. of Shares to be subscribed for under Resolution 2
GG No. 1 Pty Ltd or nominee	247,200.00
GG No. 2 Pty Ltd or nominee	52,800,000
TOTAL	300,000,000

Shareholder approval under Item 7 of Section 611 of the Corporations Act may

be required because, it is considered that those persons who form the investment group could be considered to be associates. They will at settlement have a relevant interest in the Company's shares. Certain members of the investment group will also subscribe for shares under the capital raising to be approved in accordance with Resolution 2. The combined relevant interests of the investment group will exceed 20% of the issued capital of the Company.

Information is required to be provided to shareholders under ASIC Policy Statement 74 and the Corporations Act.

For the purposes of the Corporations Act, the following information is disclosed:

Identity of persons who will hold a relevant interest in the shares to be allotted and issued.

The identity of the persons who will hold a relevant interest in issued shares on completion of the capital raisings the subject of Resolution 2 and which require to be approved for this resolution are those members of the investment group or in the event the member of the investment group does not take up the maximum allocation, the member will nominate a third party or parties to subscribe for the shares. That third party must be approved by the incoming directors in their discretion and provided that by the allotment and issue of the shares no nominee will acquire voting power in greater than 20% of the Company.

The identities of the members of the investment group are set out in Section 1.2.1 of this Explanatory Statement. That section sets out detailed information in respect of each of those persons and the number of issued shares in which they will have a relevant interest is shown in Table 1 below.

Shares to which the allottee will be entitled immediately before and after the allotment

As at the date of this Notice, each of GG No. 1 Pty Ltd, and GG No. 2 Pty Ltd do not have a relevant interest in any fully paid ordinary shares in the capital of the Company.

The maximum number of fully paid ordinary shares that may be held by each member of the investment group (or their associates) is set out in the table below.

The calculation in Table 1 assumes that the total number of shares on issue is 327,744,622 .

Table 1 – Maximum number of shares which the relevant allottees will hold after the allotment and consolidation.

Column 1	Column 2	Column 3
Name	Maximum number of shares to be issued under Resolution 2 to each allottee	Maximum voting power of the relevant allottee in the Company
GG No. 1 Pty Ltd or nominee	247,200,000	75.43%
GG No. 2 Pty Ltd or nominee	52,800,000	16.11%
TOTAL	300,000,000	91.54%

Also set out below are the matters required to be disclosed in accordance with Item 7 of Section 611 of the Corporations Act being:

- (a) *the maximum extent of the increase in the relevant allottee's voting power in the Company that would result from the acquisition:*

This increase is set out in Column 3 of Table 1 in respect of the diluted position as the relevant allottees do not currently have any voting power in the Company.

- (b) *the voting power that the relevant allottees would have as a result of the acquisition:*

This increase is set out in Column 3 of Table 1 in respect of the diluted position.

- (c) *the maximum extent of the increase in the voting power of each of the allottee's associates that would result from the acquisition:*

Each of the allottees are considered to be associates of each other therefore the maximum extent of the increase in the voting power of the allottees' associates is the increase in each allottee's voting power.

- (d) *the voting power that each of the allottee's associates would have as a result of the acquisition:*

The answer to this question is the same as for (c) above.

Other Required Information

The following further information is disclosed:

- (a) it is proposed that the Company will continue to develop its current financial services business but will also consider other investment opportunities. As part of this process, it is proposed that a new director will be appointed to the Board. This appointment is the subject of a separate resolution in the Notice. One existing Director will resign;
- (b) the Company will be required to raise sufficient capital to satisfy the requirement of Chapters 1 and 2 of the Listing Rules. To this end, the Company may be seeking shareholder approval to proceed with a further capital raising in the near future depending on the nature of the acquisition; and
- (c) there is no current intention to redeploy any other fixed assets of the Company or to change the Company's existing policies in relation to financial matters or dividends. At present, the Company does not pay a dividend. The dividend policy of the Company will be assessed in accordance with the future profitability of the business.

2.3 Directors' Recommendations

The existing Directors of the Company make a positive recommendation in respect of the proposal and will vote accordingly. We note the Independent Experts Report advises the offer is fair and reasonable. Shareholders should read this Explanatory Statement in full, to form an opinion on the merits of the proposal.

2.4 Proforma Consolidated Balance Sheet & Financial Position

The company's financial position, after the proposal, is as follows:

Proforma Balance Sheet	
<u>Assets</u>	
Cash at Bank	75,000.00*
Financial Services intellectual property	1

Total Assets	75,001.00
<u>Liabilities</u>	
Current Liabilities	(5,000)**
Non Current Liabilities	Nil

Total Liabilities	(5,000)

Net Assets	70,001.00
	=====

* Assuming completion of subscriptions described in Resolution 2 and net of costs and charges of \$15,200.

** Unpaid professional fees and share registry.

Issued Capital	34,338,000
Reserves	198,000
Losses	(34,465,999)

Net Equity	70,001.00
	=====

2.2 Resolution 3 – New Director

The recapitalisation proposal provides that from the date of the Meeting, the Board will include a nominee of the investment group. One of the existing Directors will resign.

Resolution 3 seeks the election of Mr Troy Graham as a director.

Set out earlier in this Explanatory Statement is a summary of the background on Mr Troy Graham.

3. ENQUIRIES

Shareholders are invited to contact Mr Steve Nicols on phone +61 2 9299 2289 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

AEST means Australian Eastern Savings Time (i.e. Sydney time).

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company means RKS Consolidated Limited (ACN 009 264 699).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement to the Memorandum.

Meeting means the meeting convened by the Notice.

Memorandum means this information memorandum.

Notice means the notice of meeting accompanying this Memorandum.

\$ means Australian dollars.

PROXY FORM FOR GENERAL MEETING OF RKS CONSOLIDATED LIMITED ACN 009 264 699

I/We

being a Member of RKS Consolidated Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at Nicols and Brien, Level 2, 350 Kent Street, Sydney, New South Wales on 7 July 2011 at 11.00am (AEST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Consolidation of Shares	☐	☐	☐
Resolution 2	Issue of Shares	☐	☐	☐
Resolution 3	Election of Director	☐	☐	☐

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy ☐ if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this _____ day of _____ 2011

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. Please indicate on the election form if you would prefer a cheque or shares from the investment group.
7. Details on where to send the forms are listed on Page 3 of this Notice.
8. For any questions or queries, please call Steve Nicols on ph +61 2 9299 2289 or fax +61 2 9299 2239.

Stantons International Pty Ltd trading as

Stantons International Securities

ABN 41 103 088 697

AFS Licence No. 319600

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

24 May 2011

The Directors
RKS Consolidated Limited
GPO Box 166
SYDNEY NSW 2001

Dear Sirs

RE: RKS CONSOLIDATED LIMITED (ACN 009 264 699) ("RKS" OR "THE COMPANY") MEETING OF SHAREHOLDERS PURSUANT TO SECTION 611 (ITEM 7) OF THE CORPORATIONS ACT 2001 ("TCA") RELATING TO THE PROPOSAL TO ISSUE 300,000,000 POST CONSOLIDATION SHARES TO AN INVESTMENT GROUP

1. Introduction

- 1.1 We have been requested by the directors of RKS to prepare an independent expert's report to determine the fairness and reasonableness of the transactions referred to in resolution 2 as detailed in the Notice of Meeting ("the Notice") to RKS shareholders that is expected to be mailed to shareholders of RKS in May 2011 or early June 2011.

Resolution 2, relates to the proposal for the Company to allot and issue on a post consolidation basis 300,000,000 shares at an issue price of 0.0334 cents per ordinary share to an investment group represented by Troy Graham a proposed director of RKS and managing director of Autus Capital Pty Ltd ("Autus") to raise \$100,200. Troy Graham currently owns 4,000,000 ordinary shares (444,444 post consolidation shares) in the Company. The Company has agreed to allot and issue a total of 300,000,000 post consolidation shares to GG No.1 Pty Ltd or nominee ("GG No.1") and GG No.2 Pty Ltd or nominee ("GG No.2") which for the purposes of this report are known as the "Investment Group". Of the 300,000,000 post consolidation shares referred to, GG No.1 will be issued a maximum of 247,200,000 post consolidation shares and GG No.2 will be issued a maximum of 52,800,000 post consolidation shares. Further details are noted below and in the Explanatory Statement to Shareholders ("ES") of RKS.

- 1.2 RKS was previously known as Rockstead Financial Services Limited ("Rockstead"). On 21 July 2008, Rockstead's securities were suspended from trading on the official list of ASX Limited. On 30 June 2009 a Liquidator was appointed to Rockstead. On 8 March 2010 the creditors voted for Rockstead to enter into a Deed of Company Arrangement ("DOCA") and effective 23 August 2010 following a successful restructuring and recapitalisation of Rockstead, Rockstead came out of liquidation and changed its name to RKS Consolidated Limited.

1.3 The Investment Group has put forward a recapitalisation proposal which can be summarised as follows:

- the Company be authorised to consolidate its existing shares on a 1 for 9 basis ("the Consolidation") (resolution 1);
- the Company be authorised, after the Consolidation, to allot and issue 300,000,000 post consolidation shares to the Investment Group at an issue price of 0.0334 cents each to raise a total of \$100,200 on the terms and conditions set out in the ES (resolution 2);
- the Investment Group will additionally pay all existing shareholders (holding 249,701,605 pre consolidation shares), 0.252 cents cash for every share held totalling approximately \$630,000. Existing shareholders will still retain their shares, albeit consolidated on a 1 for 9 basis. This offer is subject to the passing of all resolutions set out in the Notice, without alteration; and
- a new director representing the Investment Group is to be appointed.

In order to offset the costs of considering the proposal, and the convening of, and holding of the general meeting of shareholders, the Investment Group has paid to the Company a \$70,000 non refundable deposit which forms part of the 300,000,000 post consolidation shares to be issued for \$100,200.

1.4 In the event that the recapitalisation proposal is consummated, the Company would have approximately \$70,000 net cash funds and would be in a position to seek new business opportunities that might ultimately enable the Directors of RKS to apply to the ASX to have its shares re-quoted on ASX. RKS will need to comply with Chapters 1 and 2 of the ASX Listing Rules.

1.5 There are two other resolutions (resolutions 1 and 3) being put to the shareholders' of RKS. Resolution 1 relates to the proposed 1 for 9 consolidation of capital and resolution 2 relates to the proposed appointment of Troy Graham as a director of RKS. Troy Graham is a representative of the Investment Group. We are not reporting on the fairness and reasonableness of such proposals. This report specifically addresses resolution 2 only. However, we note that all of the other resolutions are all part of the recapitalisation process of RKS and resolutions 1 to 3 are interdependent upon each other.

1.6 Under section 606 of TCA, a person must not acquire a relevant interest in issued voting shares in a company if because of the transaction, that persons or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Under section 611 (Item 7) of TCA, section 606 does not apply in relation to any acquisition of shares in a company by resolution passed at a general meeting at which no votes were cast in favour of the resolution by the acquirer or the disposer or respective associates. An independent expert is required to report on fairness and reasonableness of the transaction pursuant to a section 611 (Item 7) meeting.

1.7 The Company currently has 249,701,605 shares on issue. Following the consummation of the resolutions relating to the share structure of the Company, the following table depicts the new share structure of the Company assuming the Investment Group receives the 300,000,000 post consolidation shares described in resolution 2. In addition Section 1.1.3 of the ES refers to the shareholding details if all Resolutions are passed and consummated.

	Existing shareholders (after 1 for 9 consolidation (resolution 1))	Maximum No. of Shares to be issued pursuant to resolution 2	Maximum No. of Shares to on issue post recapitalisation
GG No. 1	-	247,200,000	247,200,000
GG No. 2	-	52,800,000	52,800,000
Total of the Investment Group	-	300,000,000	300,000,000
Other existing shareholders	27,744,622	-	27,744,622
TOTAL	27,744,622	300,000,000	327,744,622

The shareholding interests of the Investment Group and others would be approximately as follows:

	%
GG No. 1	75.43
GG No. 2	16.11
The Investment Group	91.54
Other existing shareholders	8.46
Total	100.00

The total number of shares on issue on a post consolidation basis would be 327,744,622.

GG No.1 individually, and GG No.1 and GG No.2 collectively, will exceed 20% of the expanded issued capital of RKS and thus section 611 (Item 7) approval is required specifically on issuing shares to such parties. Therefore, an independent expert's report pursuant to the section 611 (Item 7) of TCA is required to report on the fairness and reasonableness of the transactions pursuant to resolution 2. The Company has requested Stantons International Pty Ltd (trading as Stantons International Securities) to prepare an independent expert's report to assist the shareholders of RKS in determining as to whether they vote for or against resolution 2 as outlined in the Notice.

1.8 Apart from this introduction, the report considers the following:

- summary of opinion
- implications of the proposals
- future directions of RKS
- basis of technical valuation of RKS
- premium for control
- fairness and reasonableness of the proposals
- conclusion as to fairness and reasonableness
- sources of information
- appendix A and Financial Service Guide

2. Summary of Opinion

2.1 In determining the fairness and reasonableness of the transactions pursuant to resolution 2 we have had regard to the guidelines set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111. It states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under

offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. It also states that, where an acquisition of shares by way of an allotment is to be approved by shareholders pursuant to Section 611 (Item 7) of TCA, it is desirable to commission a report by an independent expert stating whether or not the proposal is fair and reasonable, having regard to the interests of shareholders other than the proposed allottee (in this case, the Investment Group) and whether a premium for potential control is being paid by the allottee(s).

Accordingly, our report relating to resolution 2 is concerned firstly with the fairness and reasonableness of the proposals with respect to the existing non associated shareholders of RKS and secondly whether the price payable for a potential control includes a premium for control.

2.2 In our opinion:

The proposals as outlined in resolution 2 that would allow the Investment Group to acquire 300,000,000 shares in RKS are, on balance **fair and reasonable** to the non associated shareholders of RKS.

The opinions expressed above are to be read in conjunction with the more detailed analysis and comments made in this report.

3. Implications of the Proposals

- 3.1 As at 23 May 2011 the number of pre consolidated shares on issue in RKS is 249,701,605 (to be reduced to 27,744,622 if resolution 1 is passed and consummated). If all the resolutions are consummated, the Investment Group will own approximately 91.54% of the capital of the Company (as depicted in paragraph 1.7).
- 3.2 The estimated costs of the recapitalisation process will be around \$15,200.
- 3.3 Following the completion of the recapitalisation process and assuming all resolutions are consummated, RKS's unaudited pro-forma Statement of Financial Position is expected to disclose:

	Notes	Un-audited statement of financial position as at 31 March 2011 as advised by the Directors \$	Pro-forma Statement of Financial Position after capital raisings \$
Current Assets			
Cash assets (refer below)	1	60,000	75,000
		60,000	75,000
Non Current Assets			
Intangibles		1	1
		1	1
Total Assets		60,001	75,001
Liabilities			
Trade creditors and accruals		-	5,000
Total Current Liabilities		-	5,000
Net Assets		60,001	70,001
Equity			
Issued capital and shares to be issued	2	34,323,000	34,338,000
Reserves		198,000	198,000
Accumulated losses		(34,460,999)	(34,465,999)
Total Equity		60,001	70,001

Note**1. The movement in the cash assets is reconciled as follows:**

Cash assets:	\$
Opening balance	60,000
Balance of funds received for the Placement of 300,000,000 shares at 0.0334 cents each	30,200
Payment for costs of holding Notice of meeting and Independent Experts report	(15,200)
Closing balance	75,000

Thus estimated net cash after completion of the capital raising will be \$70,000 (and no other material liabilities other than \$5,000 as noted above).

2. The movement in the issued capital is reconciled as follows:

Issued Capital and shares to be issued:	\$
Opening balance (includes \$70,000 deposit as noted below in paragraph 3.4)	34,323,000
Balance of funds received for the Placement of 300,000,000 shares at 0.0334 cents each	30,200
Payment for costs of holding Notice of meeting and Independent Experts report	(15,200)
Closing balance	34,338,000

Further details on the plans of RKS post recapitalisation is outlined in sections 1.1.2 and 1.2.1 of the ES accompanying the Notice.

- 3.4 On a pre completion recapitalisation basis the net assets are \$60,001 representing approximately 0.216 cents per share based on 27,744,622 post consolidation shares on issue. This includes the \$70,000 non refundable deposit paid as part of the \$100,200 subscription for 300,000,000 post consolidated shares. Prior to the receipt of this non refundable deposit the net asset position would have been a net liability position. Thus, the fair value of a share in RKS prior to the recapitalisation proposal and receipt of the non refundable deposit was arguably nil cents.

3.5 The current directors of RKS are Tony Crimmins, Greg Cornelsen and Steve Nicols. On completion of the recapitalisation proposal Steve Nicols will resign from the Board and Troy Graham will be appointed.

3.6 Further directors may be appointed on completion of the recapitalisation process and particularly if a new business is acquired.

4. Future directions of RKS

4.1 We have been advised by a representative of the Company that:

- the short term intention is to complete the recapitalisation process;
- at the time of preparation of this report they are not aware of any proposals currently contemplated whereby RKS will acquire any property or assets from the Investment Group or third parties nominated by the Investment Group or where RKS is to transfer any of its property or assets to the Investment Group or third parties nominated by the proposed directors (however the Investment Group will subscribe for shares in RKS as noted in resolution 2);
- no dividend policy has been set and is not proposed to be set until such time as the Company is profitable and has a positive cash flow;
- the Company's plans for the future are as outlined in section 1 of the ES; and
- the proposal by RKS is for the Company to retain its interest in the existing business (that is very limited) in the ordinary course and to exploit complementary business opportunities. Also the Company may plan to pursue new investments within Australia and overseas.

5. Basis of Technical Valuation of RKS

5.1 Allotment of Shares

5.1.1 In considering the proposals as outlined in resolution 2 we have sought to determine if the potential considerations payable by the Investment Group are fair and reasonable to the existing non-associated shareholders of RKS.

5.1.2 The proposals pursuant to resolution 2 would be fair to the existing non-associated shareholders if the value of the considerations being offered by the Investment Group are greater than the current implicit value of the shares of RKS immediately prior to the transactions. Accordingly, we have sought to determine a theoretical value that could reasonably be placed on RKS shares for the purposes of this report.

5.1.3 The valuation methodologies we have considered in determining the current technical value of a RKS share are:

- capitalised maintainable earnings/discounted cash flow
- takeover bid - the price which an alternative acquirer might be willing to offer
- adjusted net asset backing and windup value
- market value price of RKS shares

5.2 Capitalised maintainable earnings/discounted cash flows

5.2.1 As noted above, RKS has only limited cash and business undertakings. Due to RKS's current state of affairs, the lack of a profit history arising from business undertakings and the immediate lack of a reliable future cash flow from a business activity, we have considered these methods of valuation not to be relevant for the purposes of this report.

5.3 Takeover bid

We have been advised by Nicols a director of RKS that he does not believe that there would be any existing shareholder or proposed shareholder that has an interest in taking over the Company by way of a formal takeover bid. In the absence of any public information, we agree with such assertion. However, we note that under the recapitalisation process, the Investment Group would own approximately 91.54% of the post-consolidated capital of the Company.

5.4 Net asset backing and windup value

5.4.1 As noted above prior to the recapitalisation process, RKS has little cash and minimal business activities. The net asset value per share based on 27,744,622 post consolidation shares on issue is approximately 0.216 cents per share. The directors of RKS and the Investment Group consider that on a windup basis, the return to shareholders would probably be nil cents per share.

5.4.2 Purely based on the net cash value of a recapitalised RKS, the net assets would be disclosed at approximately \$70,000 (assuming the Company raises \$100,200 before capital raising costs of \$15,200 as noted above of which \$70,000 was received in advance) which would be equivalent to approximately 0.021 cents per share, assuming 327,744,622 post consolidation shares would be on issue after the recapitalisation process. This compares with the current net asset value of a RKS post consolidation and receipt of the non refundable deposit of \$70,000 (and pre completion of recapitalisation) share of 0.216 cents.

5.5 Market price of RKS shares

5.5.1 The Company (formerly operating as Rockstead) was suspended from the ASX on 21 July 2008. As the Company is still suspended from the ASX, we do not believe it is appropriate to value a RKS share based on prior quoted prices of RKS shares on the ASX.

5.6 Conclusion on the value of RKS shares

5.6.1 After taking into account the matters referred to in the preceding paragraphs, we are of the view that the current theoretical value of a post consolidation RKS share (but prior to the finalisation of the recapitalisation process) is 0.216 cents.

5.6.2 If the recapitalisation process is finalised, the net cash value of a RKS share immediately post reconstruction and recapitalisation would approximate 0.0214 cents per share (assuming the total of \$100,200 is raised as noted in resolution 2). This does not include the amount of approximately 2.27 cents per post consolidation share that is being paid directly to the shareholders of the Company should the recapitalisation proposal be successful.

6. Premium for Control

6.1 Premium for control for the purposes of this report has been defined as the difference between the price per share that a buyer would be prepared to pay to obtain a controlling interest in the Company and the price per share at which the same person would be required to pay per share which does not carry with it control of the Company.

- 6.2 Under TCA, control may be deemed to occur when a shareholder or group of associated shareholders' control more than 20% of the issued capital. In this case, the Investment Group could hold approximately 91.54% of the expanded issued capital of RKS. The Investment Group entities, GG No.1 and GG No.2 would own approximately 75.43% and 16.11% of the issued shares.
- 6.3 The RKS shares that are proposed to be issued to the Investment Group are deemed to be theoretically worth 0.216 cents each on a post consolidation basis. After estimated transaction costs, a net cash balance of approximately \$70,000 will remain in the Company (assuming the raising of \$100,200 referred to above of which \$70,000 has already been received) giving a net assets value per share of 0.0214 cents. In addition each existing shareholder on a post consolidation basis will receive from the Investment Group approximately 2.27 cents per share (or 0.252 cents per share on a pre consolidation basis). This payment when added to the value of a post recapitalisation share on a post consolidated basis gives a total value of 2.2914 cents per share as compared to a value of 0.216 per post consolidation share and after taking into account the receipt of the non refundable deposit of \$70,000 but prior to the completion of the recapitalisation proposal. In our opinion, the Investment Group is paying a significant premium for control.

7. Fairness and Reasonableness of the Proposals

We have set out below some of the advantages, disadvantages and other factors pertaining to the proposals, pursuant to resolution 2 and the recapitalisation proposals generally.

Advantages

- 7.1 In addition to the capital injection referred to in point 7.2 below, the Investment Group will additionally pay all existing shareholders (holding 249,701,605 pre consolidation shares), 0.252 cents cash for every share held on a pre consolidation basis (approximately 2.27 cents on a post consolidation basis). The total amount paid to existing shareholders will total approximately \$630,000. This payment when added to the value of a post recapitalisation share on a post consolidated basis of 0.0214 gives a total value of approximately 2.2914 cents per share as compared to a value of 0.216 per post consolidation share after taking into account the receipt of the non refundable deposit of \$70,000 but prior to the completion of the recapitalisation proposal. Existing shareholders will still retain their shares, albeit consolidated on a 1 for 9 basis and will have an opportunity to participate in any future uplift in the value of the shares that may arise following the recapitalisation and introduction and development of new business opportunities.
- 7.2 The passing and consummation of resolutions 1 to 3 in conjunction with the completion of the recapitalisation process would result in a further net cash injection after capital raising costs of approximately \$15,000 (assuming the raising of the \$100,200 referred to above of which \$70,000 has already been received) into the Company.
- 7.3 If resolutions 1 to 3 are passed together with the completion of the recapitalisation process, the Company's chances to seek re-quotation of its shares on the ASX are enhanced. By potentially obtaining re-quotation of the Company's shares, the existing shareholders are offered liquidity to sell their shares on the ASX.
- 7.4 The Investment Group brings expertise to the Company in that Troy Graham, a proposed director has significant experience in the Australasian financial services

sector and is currently the managing director of a boutique investment banking firm Autus Capital, of which its principal activities are focused on emerging and middle market company engagements, including mergers and acquisitions, capital raisings, and general strategic and corporate advice. The directors will also seek new business opportunities in the financial services industry and other industries. Section 1.2.1 of the ES discloses the background of the proposed director Troy Graham, a representative of the Investment Group.

Disadvantages

- 7.5 A significant shareholding in the Company is being given to the Investment Group, in that it would own approximately 91.54% of the expanded issued capital of the Company. The existing shareholders are diluted to approximately 8.46%.
- 7.6 If the proposals per resolutions 1 to 3 are consummated along with the completion of the recapitalisation process, the net cash asset backing of a RKS share on a post consolidation basis decreases from 0.216 cents after taking into account the receipt of the non refundable deposit of \$70,000 to approximately 0.0214 cents (assumes a further \$30,200 is raised before capital raising costs in respect of the 300,000,000 shares to be issued).
- 7.7 RKS would only have approximately net cash of \$70,000 (assuming the raising of a total of \$100,200 as noted above) after the consummation of the recapitalisation process is complete. Further fundraisings may be required to be undertaken in the near future. If further shares are issued, the percentage share holding of the existing shareholders of RKS may be diluted down even further.
- 7.8 If the Company seeks new business opportunities, there is no guarantee that such businesses will be profitable. Furthermore, it is proposed that the \$100,200 raised in the recapitalisation will be spent in the first year after recapitalisation in evaluating and developing the existing business, review of new projects and potential acquisitions. There is no guarantee that such businesses will be profitable in the future. Refer section 1.1.2 of the ES on the proposed expenditure post the recapitalisation process.

8. Conclusion as to Fairness and Reasonableness

- 8.1 After taking into account the matters referred to in 7 above and elsewhere in this report, we are of the opinion that, on balance, the proposals as outlined in resolution 2 are, **fair and reasonable** to the non-associated shareholders of RKS.

9. Sources of Information

- 9.1 In making our assessment as to whether the proposals pursuant to resolution 2 are fair and reasonable, we have reviewed relevant published available information and other unpublished information of RKS which is relevant in the current circumstances. In addition, we have held discussions with Steve Nicols a director of RKS about the present state of affairs of RKS. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by RKS.

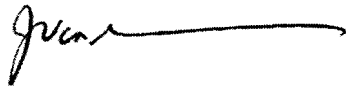
9.2 Information we have received includes, but is not limited to:

- drafts of the May 2011 Notice of General Meeting of Shareholders of RKS (and draft of the ES attached);
- discussions with Steve Nicols a director of RKS;
- shareholding details of RKS;
- announcements made by RKS to the ASX to 23 May 2011;
- unaudited statement of financial position of RKS as at 31 March 2011;
- minutes of directors meetings for the 12 months to 23 May 2011; and
- general information on RKS.

9.3 Our report includes Appendix A and Financial Services Guide, attached to this report.

Yours faithfully

STANTONS INTERNATIONAL PTY LTD
(Trading as Stantons International Securities)



J P Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities dated 24 May 2011, relating to the issue of 300,000,000 shares to the Investment Group as outlined in paragraph 1.1 of the report and resolution 2 in the Notice of Meeting to Shareholders and the accompanying ES to be distributed to shareholders of RKS in May 2011 or early June 2011.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. There are no current relationships with RKS or the Investment Group other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. However in March 2010, Stantons International Securities prepared an independent expert reports for RKS (formerly Rockstead Financial Services Limited) involving the recapitalisation of the company. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at \$6,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities nor John P Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report. in distress.

Stantons International Securities does not hold any securities in RKS. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr J Van Dieren have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities is the holder of an Australian Financial Services Licence (no 319600) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. A number of the directors of Stantons International Pty Ltd are the directors of Stantons International Securities and are affiliated with Stantons International Services Pty Ltd. Stantons International Securities and Stantons International Services Pty Ltd have extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses and/or tax and accounting services.

Mr John P Van Dieren, FCA, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered.

The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

DECLARATION

This report has been prepared at the request of the directors of RKS in order to assist them to assess the merits of the proposals to issue a total of 300,000,000 shares to the Investment Group as outlined in resolution 2 and the ES to which this report relates. This report has been prepared for the benefit of RKS's shareholders and does not provide a general expression of Stantons International Securities opinion as to the longer term value of RKS and its assets. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of RKS. Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons International Securities with due care and diligence. However, except for those responsibilities, which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities and Stantons International Pty Ltd and their directors, employees or consultants for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by RKS and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), the proposed directors of RKS on behalf of RKS and the Investment Group have agreed:

- a) To make no claim by it or its officers against Stantons International Securities (and Stantons International Pty Ltd) to recover any loss or damage which RKS may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by RKS; and
- (b) To indemnify Stantons International Securities (and Stantons International Pty Ltd) against any claim arising (wholly or in part) from RKS or any of its officers providing Stantons International Securities any false or misleading information or in the failure of RKS or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A draft of this report was presented to the proposed directors of RKS for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

**FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL PTY LTD
(Trading as Stantons International Securities)
Dated 24 May 2011**

1. Stantons International Securities ACN 103 088 697 ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 319600;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly division of Stantons International Pty Ltd a professional advisory and accounting practice. Our directors may be directors in Stantons International Pty Ltd and former directors of the affiliated company, Stantons International Services Pty Ltd.

From time to time, SIS, Stantons International Pty Ltd and Stantons International Services Pty Ltd and/or their related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities
Level 1
1 Havelock Street
WEST PERTH WA 6005

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.