



RKS CONSOLIDATED LIMITED

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5 April 2013

ASX ANNOUNCEMENT

Agreement to Purchase North Queensland Exploration Company

Highlights

- RKS Consolidated Limited ("RKS" or "the Company") enters into a letter of Intent to acquire 100% of the shares OzCrest Minerals Limited ("OZM" or "the Target"), a North Queensland Exploration company.
- The shares will be acquired from the Vendors for \$5.92M in shares.
- \$3.5M capital raising at \$0.20 per share
- Strategic opportunity. OZM is making good progress with a major North Queensland smelting company regarding a Life of Mine off take agreement for its processed concentrates.
- OZM is in discussions with existing milling companies in the region regarding "toll" milling opportunities. This may allow OZM to avoid some significant CAPEX costs depending on the economics of outsourcing the milling process.

The Board of RKS are pleased to announce that the Company, has entered into a conditional agreement to acquire the entire issued capital of the Target, an unlisted public company that has acquired tenements in North Queensland that contain significant polymetallic deposits which include zinc, lead, copper, silver and gold.

The transaction contemplated values the Target entity at \$5.92M, with the total purchase consideration being made up of shares in RKS.

This transaction is subject to shareholder approval by RKS shareholders, which will be sought at an Annual General Meeting to be held on or before 30 June 2013.

This Acquisition enables the Company to participate in the development of OzCrest Minerals polymetallic deposits with the final objective being a full mining operation supplying refined concentrates to a major North Qld smelter.

About OZM

OZM has acquired one Mining Lease and five Exploration Licences containing a number of potentially commercial mineral deposits. It will be the intention of the company, subject to the capital raising, to define the mineralised ore to a JORC compliant minimum inferred resource standard. This will be achieved by undertaking further drilling of its primary Eclipse and Paisley targets. If results are successful the company will move forward with pre feasibility studies.

Change in Activities

The Acquisition will require the Company to change the nature and scale of the Company's activities in accordance with Listing Rule 11.1, subject to the approval of the Company's shareholders ("**the Change in Activities**").

Pursuant to Listing Rule 11.1.3, the Company is now required to re-comply with all of the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds with the Change in Activities and the Acquisition. This re-compliance will require the Company to lodge a prospectus.

Change of Name

The Company proposes to change its name to OzCrest Minerals Limited (the company will seek approval from the ASX to utilize the code OZM) and will seek shareholder approval for the change. This new name more accurately reflects the proposed future operations of the company.

Declaration of Relationships

The Company confirms that there are no related parties between RKS and OZM.

1. Progress

RKS (**"the Purchaser"**) has exchanged a letter of intent with OZM (Referred to as **"the Target"**)

The completion of the Acquisition and Change in Activities is conditional upon a number of factors, specifically:-

- (a) The Acquisition is subject to and conditional upon the satisfaction of the terms of a purchase agreement and particularly the conditions precedent thereof referred to in Item 2 below;
- (b) **Confirmatory Accounting due diligence:** The Purchaser will carry out accounting due diligence. This accounting due diligence shall take no more than 30 days to complete.
- (c) **Confirmatory Legal due diligence:** the Purchaser will carry out confirmatory legal due diligence. The legal due diligence shall take no more than 30 days to complete.
- (d) receipt of any necessary approval of governmental authorities or third parties;
- (e) negotiation, execution and delivery of the Documents containing appropriate representations, warranties, covenants and indemnities acceptable to both parties;
- (f) The Purchaser issuing a Prospectus (**Prospectus**) in conjunction with the Acquisition to raise a minimum of \$3,500,000.00, such Prospectus being approved by the relevant authorities;
- (g) Purchaser's shareholders approving the Acquisition at a relevant General Meeting (**GM**).

2. Details of the Acquisition

Through a letter of intent (**"LOI"**) dated March 13 2013, the Purchaser proposes to acquire 100% of the issued shares in OZM, the assets of OZM at such time will include the benefit of contracts and employees of OZM including but not limited to the following (**"the Assets"**) for consideration comprising:-

- The issue of shares in RKS Consolidated Limited to the value of approximately \$5.92 million to the shareholders of OZM (**"the Shares"**).

- (a) The Acquisition is subject to the satisfaction of various conditions precedent including but not limited to the following:-
 - (i) The Vendors and the Target must provide the Purchaser with evidence that the "Assets" either remain with the Target or are transferred from the Target or the Vendors to the Purchaser;
 - (ii) The shareholders of RKS having approved the purchase, the Change in Activities and any other incidental resolutions;
 - (iii) RKS having received evidence that the ASX is satisfied that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has complied with Chapter 11 of the ASX Listing Rules;
 - (iv) The vendor shareholders entering into a restriction agreement with the Purchaser in relation to Shares issued to the shareholders in part consideration for the purchase of OZM; and
 - (v) The shareholders of RKS and the ASX having approved and authorised the issue of the Shares to the shareholders in consideration for the purchase of OZM.

3. Steps and Timetable

Notice of Meeting

The Company will hold its Annual General Meeting of shareholders (“**AGM**”) to put resolutions to shareholders which will need to be approved before the Company re-complies with Chapters 1 and 2 of the Listing Rules. The Company must, at least 28 days before the AGM, provide a detailed notice of those resolutions and an explanatory statement.

General Meeting of Shareholders

At the AGM the Company’s shareholders will be asked to resolve to approve the proposed change in activities, to approve a change in the Company’s name to reflect its new direction and approve any other general business arising in the notice.

Suspension

The Company which is currently suspended will remain suspended until re-compliance with Chapters 1 and 2 of the Listing Rules to the satisfaction of ASX and that process may require some time for administrative procedures as well as the issue and closing of a Prospectus.

Prospectus

ASX will require the Company to lodge a prospectus. A prospectus will be lodged with ASIC before the AGM. The prospectus will seek to raise a minimum of \$3,500,000.00.

Indicative Timetable

Execution of Share Sale Agreement	Monday, 15 April 2013
Lodgement and Dispatch of Notice of Annual General Meeting	Wednesday, 24 April 2013
Lodgement of Prospectus with ASIC	Wednesday, 15 May 2013
Opening date for offer -	Wednesday, 22 May 2013
Annual General Meeting	Wednesday, 5 June 2013
Closing date offer under Prospectus	Monday, 17 June 2013
Acquisition completion	Wednesday, 19 June 2013
Issue of Shares	Monday, 24 June 2013
Expected date for re-quotation of the Company’s securities on ASX	Friday, 28 June 2013

The above dates are indicative only and may change without notice.

4. Financial Information

An unaudited Pro forma balance sheet taking into account the effect of the capital raising and following completion of the proposed change to activities is set out below:

	Consolidated Entity	
	31/12/12 (A)	30/06/13 (B)
	(\$'000)	(\$'000)
CURRENT ASSETS		
Cash and cash equivalents		
Receivables	39	3,589
Other	3	3
TOTAL CURRENT ASSETS	42	3,592
NON CURRENT ASSETS,		
Tenements	-	14,250
Deposits/Bonds	-	7
TOTAL NON CURRENT ASSETS	-	14,257
TOTAL ASSETS	42	17,849
CURRENT LIABILITIES		
Payables and accruals	93	94
Borrowings		
TOTAL CURRENT LIABILITIES	93	94
NON-CURRENT LIABILITIES		
Payables		11
TOTAL NON-CURRENT LIABILITIES		11
TOTAL LIABILITIES	93	105
NET ASSETS (DEFICIENCY)	(51)	17,744
EQUITY		
Contributed equity	33,063	37,173
Reserves	234	14,434
Retained earnings (accumulated losses)	(33,348)	(33,863)
TOTAL EQUITY (DEFICIENCY)	(51)	17,744

A) Extract of financial position dated 31 December 2012

B) Pro forma statement of financial position as at 30 June 2013 assuming all monies raised and purchase consideration paid

5. Capital Raising

The Company will undertake a capital raising making an offer under a prospectus to sophisticated investors, directors and other parties as relevant to raise a minimum of \$3,500,000 ("**Capital Raising**").

6. Use of Funds

The Company intends to combine funds raised from the offer with its existing cash reserves and to use the total funds to fund the costs of the Capital Raising and working capital.

Expenditure items	Year 1 to end June 2014	Year 2 to end June 2015
Exploration	\$750,000	\$450,000
Mining studies		\$500,000
Working Capital	\$750,000	\$750,000
Costs associated with raise	\$300,000	
Total	\$1,800,000	\$1,700,000

Further details of the Capital Raising will be set out in the prospectus which the Company expects to lodge on or about 17 June 2013.

7. Share Structure

Ordinary Shares	Number
Shares on issue	29,600,000
Issue of Shares pursuant to the Share Sale Agreement (Issue Price \$0.20)	29,600,000
Issue of Shares pursuant to the Offer (Issue Price \$0.20)	17,500,000
Performance Shares	5,000,000
Total Ordinary Shares	81,700,000

8. Directors

It is expected that upon approval of the whole transaction by shareholders at a General Meeting that a new Board of Directors will be appointed that will include representatives from both the existing RKS and OZM boards together with relevant industry experts.

9. Further Information

For further information, please contact Mr Robert Whitton.

Yours faithfully



Robert Whitton
Chairman