



Reclaim Industries Limited  
("RCM")

# Investor Presentation

August 2014

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All amounts in Australian dollars unless stated otherwise.



# Corporate Overview

Reclaim Industries Ltd (**ASX: RCM**) entered into a Heads of Agreement on 19 May 2014 to acquire all the issued capital in Employment Management Systems Pty Ltd (“**EMS**”), who owns 100% of Skills Connect Pty Ltd (“**SCL**” or “**Skills Connect**”). The Company is presently working towards finalising the transaction, after which it is expected to trade as Skills Connect Ltd, on or around November 2014.

RCM ASX Price Chart for CY2014



Corporate Overview	ASX: RCM
Share Price (21 Aug 2014)	\$0.023
12 month range	\$0.005 - \$0.039
Shares on Issue *	544,999,469
Market Capitalisation	\$12.5m
Cash as at 31 July 2014 (RCM & SCL)	\$1.3m
Debt	Nil

SCL Director and Management Future Shareholdings**	%
1. Pebtilly Pty Ltd	24.6
2. Anthony Francis Dixon	1.6
3. Apex Private Wealth Pty Ltd	3.6
4. Amabowl Family Trust	1.9
	<b>31.7</b>

\* Shares on issue prior to Consideration Shares, Facilitation Shares and Milestones 1 & 2 Shares being issued.

\*\* Shareholdings following completion of the acquisition of EMS.

Assumptions are as follows:

1. assuming a consolidation on a basis of 1 share for every 8 shares held;
2. the Consideration Shares, Facilitation Shares and Capital Raising Shares being issued; and
3. Milestones 1 & 2 not yet achieved.



# About Skills Connect

- Providing a secure cloud based business solution for the engagement and management of multi-sourced labour
- Global solution - Key markets are in USA and Asia
- Integration to enhance value proposition
- Defendable patents in Australia, New Zealand with USA pending



Skills Connect is a whole Government Solution

[www.skillsconnect.biz](http://www.skillsconnect.biz)

# Skills Connect Delivers



## For a Business:

- The **business intelligence** to informed decisions on a multi-sourced workforce
- Security
- Universal time sheet
- **Mobile wallet for simple payment to employees**

## A Candidate:

- Access to **salary through mobile wallet** (*Candidate has access to money cheaply*)
- Centralised employment history to **rebuild credit scores**
- Transferral of money cheaply
- Single registration point
- **Passive recruitment**
- Mobile solution and mobile timesheet

- EMPOWERMENT -

## HR/Recruitment:

- E-Tender gateway
- **Management of multiple sources of labour supply**
- Consolidation of forms
- Business Intelligence
- Manage profitability
- **API to payroll**

# How does Skills Connect do this?

Patented 3 way connectivity – Seamless management of multiple suppliers

Business Intelligence

Integration of mobile wallet for payment

Operational efficiency “cost out”

Defense level security

Better candidate experience



Skills Connect works for catering

# Benefits to Businesses & HR

## Business Intelligence

Maintain existing structures

Significant time & Cost savings

Workforce is at arms length

Payments – For every 500 employees you move from paying by cheque to an electronic payment the business will save \$21,000

Source: Business Insider: Max Nisen, 14th Sep 2013 Quoting VISA

21 Billion – Number of cheques issued in 2012

Source: US Federal Reserve



An Ordinary Business

[www.skillsconnect.biz](http://www.skillsconnect.biz)



A Skills Connect Business

Picture source: Sutterstock: 78724045

# Benefits to Candidates

- **Access to pay via mobile wallet** (No longer have to pay high cashing fees)
- **Build and manage Credit scores** to get a loan
- Eliminate multiple applications
- Eliminate searching Job Boards
- Passive & Active recruitment
- Talent management

***Skills Connect is Mobile Ready***



Skills Connect works for cleaners



# Global Target Market



In 2011, the Hospitality Industry in the United States alone had a

**29.1%** turnover of staff

Source: [www.compensationforce.com](http://www.compensationforce.com)

There are over 13 million people working in hospitality in the USA today and this is forecast to grow to 14.3 million by 2020

Source: United States Bureau of Statistics

China's labour surplus is expected to be entirely exhausted by 2015. The situation is particularly acute at multinationals where the staff turnover rate is 25%

Source: HRM Asia Renewing Paradigms on Employee Loyalty and Turnover Rates 21 Nov 2011

## Target Sectors

- Hospitality
- Retail
- Franchises
- Cleaning
- Blue Collar
- Government

# The Target Market Is Large.....

By Sector Year	Industry			Services		
	1999	2009	% Change	1999	2009	% Change
World	533.2	666.4	25.0%	1010.8	1316.7	30.3%
Developed Economies & European Union	122	117.9	-3.4%	296.1	341.1	15.2%
Central & Southern Europe (non-EU)	35.3	39.5	11.9%	70.1	88.6	26.4%
East Asia	176.1	226	28.3%	209.5	287.3	37.1%
South East Asia & Pacific	37.4	49.9	33.4%	81.5	106.8	31.0%
South Asia	77.7	122.2	57.3%	126.2	179	41.8%
Latin America	43.3	56.1	29.6%	115.5	155.9	35.0%
Middle East	11.8	16.4	39.0%	23.7	34.4	45.1%
North Africa	10.1	14.9	47.5%	24.7	32.9	33.2%
Sub-Saharan Africa	19.4	31.7	63.4%	63.4	90.7	43.1%

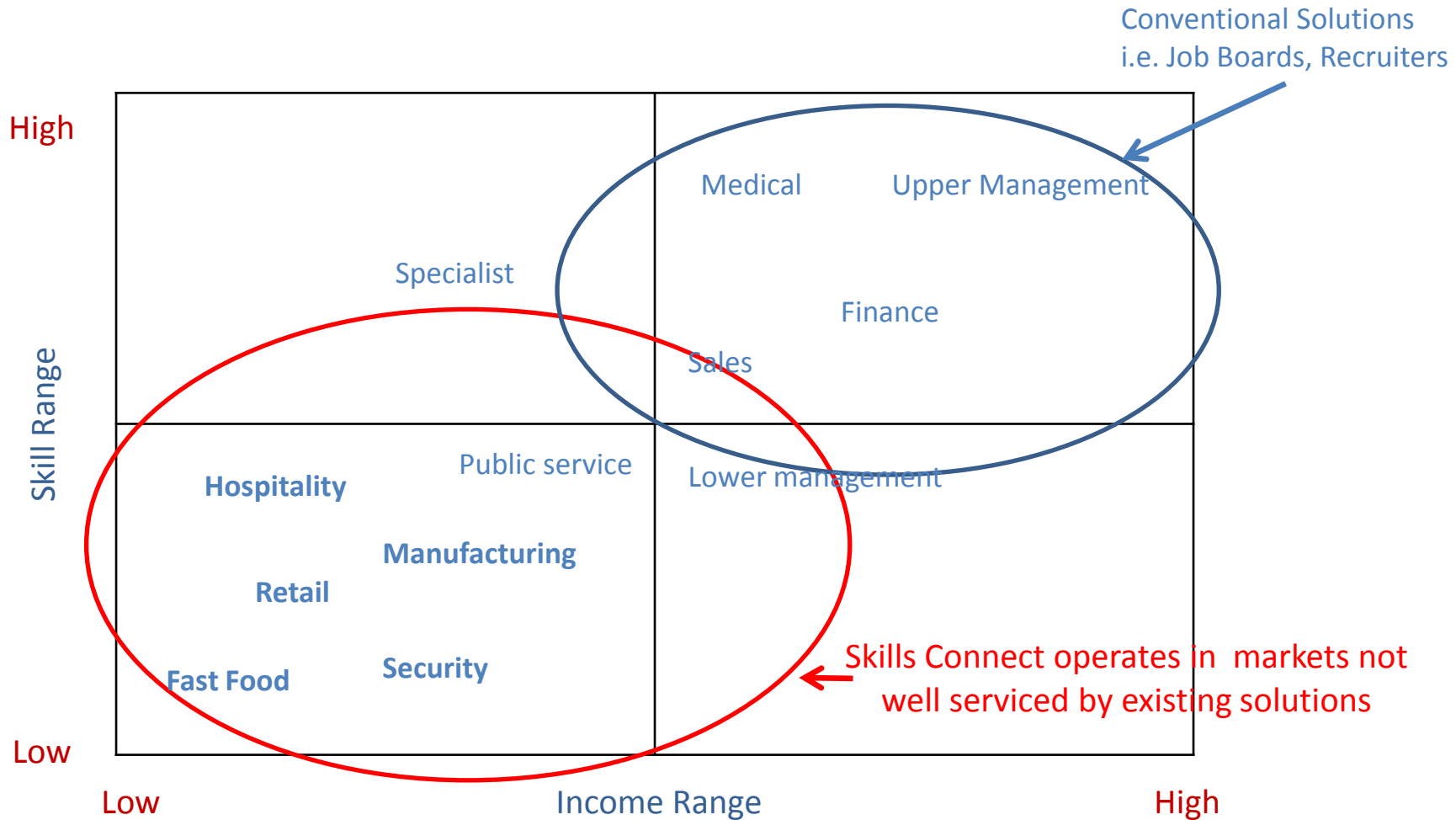
Source: Global Employment Trends - International Labour Office

[http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms\\_150440.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_150440.pdf)

**Driven by rapid growth in Asia some 25% of the world's population is employed each year**

**“These are mostly low skilled high volume employment opportunities”**

# Skills Connect - Addresses Market Gap



# The Changing Face of Labour Markets

A casualised workforce is the new norm

Over half the US workforce will be multi-sourced by 2020

Source: Top 10 Workplace Trends, Forbes 25th Oct 2013

70% of the US workforce is low skilled

**1 in 4 US households** do not have a bank account or use non bank financial transactions

Source: Federal Deposit Insurance Corp , June 2012

Access to and transferring funds is expensive - Difficult to build a credit score

HOW does a business manage multi-sourced human capital



# Driving Sales

- Distribution – Via licence resellers and channel partners
- Technology – Skills Connect meets changing landscape of workforce procurement
- Provides business intelligence on total workforce
- Candidate – aspiration is to have candidate as sales force as they receive the benefit of credit score and access to salary through mobile wallet
- Branding & Positioning – Corporate social responsibility and the empowerment of low skilled labour



Skills Connect works for Retail

***Growth is likely to come from unexpected sources,  
“22.2% of the US workforce is 55 or older, an 85%  
increase since the early 90’s”***

Source: Bloomberg Business Week, “American Workers Are Older Than Ever” 4<sup>th</sup> August 2014

# Skills Connect - Revenue Model

Revenue Type	Comment	Standard Rate	Paid by
Search fee	Dynamic search for best candidate	\$40 per search or 10 candidates <i>Assumes 1 search in one year</i>	HR/Recruiter
Time Sheet	Drives Business Intelligence	\$2.50 per week per candidate	Business
Time Sheet	Universal time sheet	\$2.50 per week per candidate	HR/Recruiter
Premium Service	Manage and control work history (Credit Score)	\$1.00 per week per candidate	Candidate
Mobile Wallet	Have salary and transfer funds directly from mobile	Margin of processing fee	Candidate
Contract per site	Flat rate for multi location	\$50 - \$500 per month per location	Business
Advertising	Targeted advertising to data base	By negotiation	External
Government licence	Rebranded vision for whole of Government	By negotiation	Government
Country Licence	Distribution buys right to sell Skills Connect in a country	By negotiation	External

# Strategic Partners



## Communication Strategy Partner

- New York-based globally recognised brand innovation consultancy
- Combines corporate social responsibility and desired revenue growth
- Extensive target market testing underway – includes business, HR and candidates
- Recent clients of BBMG:  
adidas, Disney Consumer Products, Eileen Fisher, ebay, Johnson & Johnson, L'Oréal Paris, MillerCoors, NBC Universal, PepsiCo, Samsung, Target and Walmart.

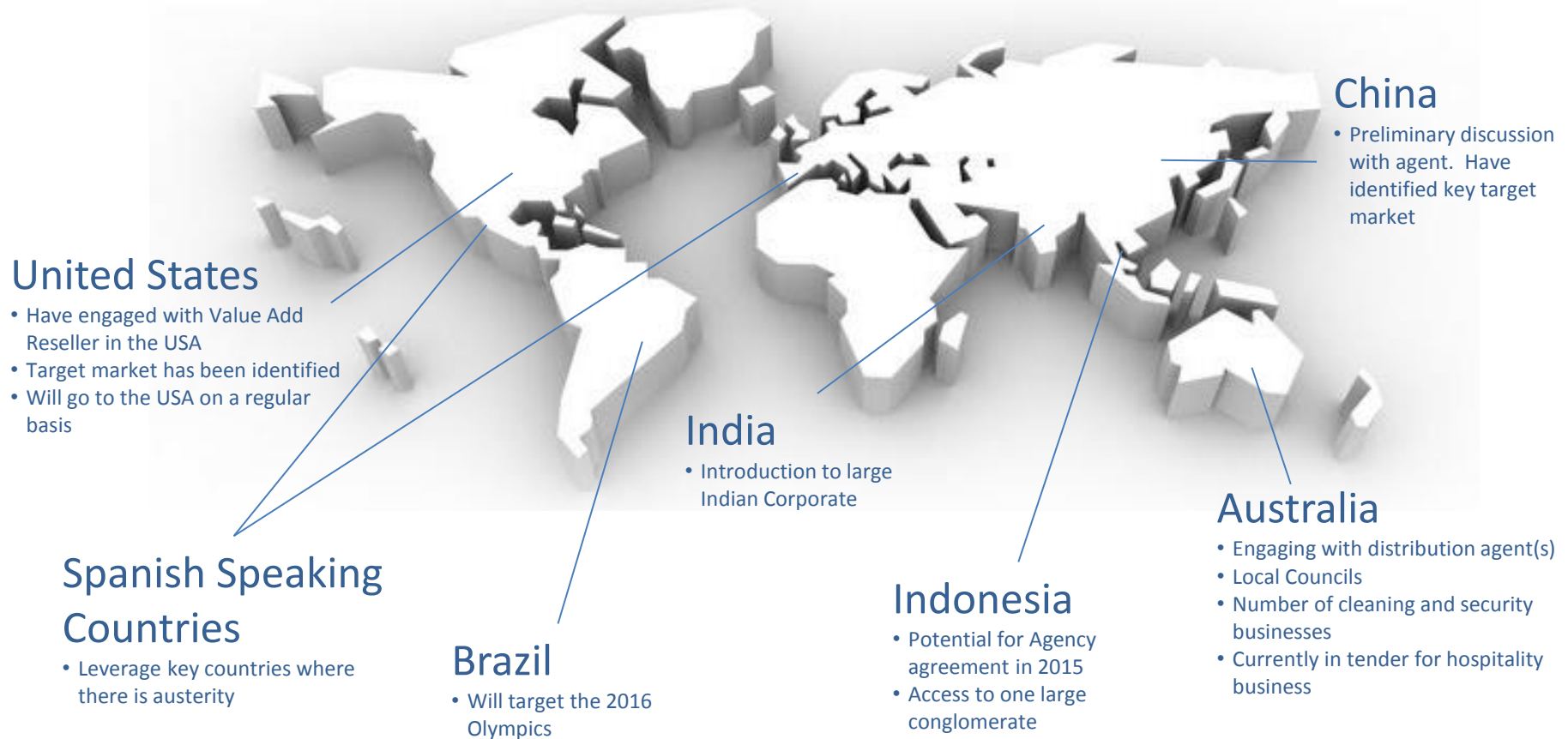
## Mobility and Technology Partner

- Austin Texas based and globally recognised for mobile technology
- Numerous API's already under scope
- Multi-language platform under development
- Recent clients of Endeavour Technology:  
Mercedes-Benz, Tesco, HP, WellDoc, Frost Bank, Boston Scientific, RIM BlackBerry, AIG and many more large international clients





# Pipeline of Activity Already Underway





# Skills Connect Pty Ltd Company

## Directors & Key People

Robert Day (Founder & Current Chairman)

Founder of the business and conceptualisation  
Owned and operated own recruitment company  
15 plus at the Shell Australia

Dr Kate Cornick (Managing Director effective from 8<sup>th</sup> September 2014)

Former adviser to Senator Stephen Conroy  
General Manager Enterprise & Strategy – NBN Co  
Director, Industry Engagement and Innovation – Melbourne University

Graham Steer (Current Director)

30 plus years experience in accounting, audit and negotiation  
Former partner for mid tier accounting practice in Sydney

Anthony Dixon (Current Director)

Independent Director  
25 plus years financial services experience

Earle Harper (Current Chief Operating Officer)

20 Plus years in financial services  
3 Years with the Australian Trade Commission - Commercialisation  
Responsible for the operations of the SCL

# Acquisition Terms

The Acquisition consideration is as follows:

- RCM will issue 400,000,000 RCM Shares pro-rata to existing SCL Shareholders.

The acquisition is subject to a number of conditions being satisfied as follows:

- SCL obtaining all shareholder approval to enable the transaction to complete; **DONE**
- RCM advancing a loan to SCL of \$500,000 for the purpose of working capital; **DONE**
- RCM advancing a further loan to SCL of \$900,000 for the purpose of working capital; **DONE**
- SCL Founders unanimously agreeing to execute the Share Sale Agreement; **EXPECTED August 2014**
- RCM must obtain required shareholder approval; and **EXPECTED November 2014**
- RCM must complete a fund raising of not less than \$2,000,000; **EXPECTED November 2014**
- SCL is entitled to nominate 3 persons to the Board of Directors on the completion of the transaction.



Skills Connect is Blue Collar Solution  
[www.skillsconnect.biz](http://www.skillsconnect.biz)

# Acquisition Capital Structure

	Number of Shares (No Reconstruction)	Number of Shares (Reconstruction: 1 share for every 8 shares held) (iii)
RCM Shares on Issue	544,999,469	68,124,933
Shares to be issued in capital raising, completed as part of the Re-compliance with Chapters 1 & 2 of the ASX Listing Rules	80,000,000	10,000,000
Facilitation fee	20,000,000	2,500,000
Consideration shares to be issued	400,000,000	50,000,000
<b>Total Shares on Issue following Completion and Re-compliance (ii)</b>	<b>1,044,999,469</b>	<b>130,624,933</b>
Milestone shares to be issued (iv)	650,000,000	81,250,000
<b>Total Shares on issue following Completion and Re-compliance assuming Milestones satisfied (ii)</b>	<b>1,694,999,469</b>	<b>211,874,933</b>

- (i) The above table and total issued shares after the completion of the transaction is indicative only and are subject to change.
- (ii) The reconstruction ratio may change dependent on the RCM share price at the issue date of the Notice of Meeting.
- (iii) The final capital structure is based on a share price of \$0.025. The Consolidation ratio may change prior to the issuance of the Notice of Meeting. The reconstruction ratio is one share for every eight held.
- (iv) Milestone 1: 350,000,000 shares.  
Milestone 2: 300,000,000 shares.  
Please refer to RCM's ASX announcement on 19<sup>th</sup> May 2014 for further details on the Milestone conditions.

# Acquisition Timetable

	Date *
Despatch of Notice of Meeting and lodgement with ASX	13 October 2014
Despatch of Prospectus and lodgement with ASX	27 October 2014
Meeting of Shareholders to Approve Acquisition	13 November 2014
Results announced and suspension of Company's Shares from trading on ASX	13 November 2014
Closure of Disclosure Document	19 November 2014
Satisfaction of all Requirements of Chapters 1 & 2	24 November 2014
Reinstatement to Trading	28 November 2014

\* Dates are subject to change

# Outlook Summary

Skills Connect provides investors:

- A true global opportunity
- Fills market gap – targets markets not well serviced by existing solutions
- Multiple revenue opportunities
- Clear communication strategy –Empowering multi-sourced labour
- Strategic Partners will drive client engagement in USA
- Distribution partner in Australia and Asia identified
- Data capture business – THE TRUE VALUE



Skills Connect works for Medical Services

# Thank you

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