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Acquisition of Rision to Proceed on Renegotiated Terms

The Directors of Reclaim Industries Limited ("**RCM**") are pleased to announce that the acquisition of Rision Pty Ltd ("**Rision**") is to proceed on terms that have been renegotiated. RCM has entered into a Heads of Agreement ("**HOA**") with Rision and the Rision Shareholders ("**Vendors**") to acquire 100% of the rights and title in all the issued capital of Rision on amended terms.

Heads of Agreement

The HOA dated 4 September 2015 facilitates the acquisition of all of the issued capital of Rision by RCM, subject to satisfaction of a number of conditions precedent.

Under the terms of the HOA, RCM, Rision and the Vendors are to execute a revised Share Sale Agreement ("**SSA**") to replace the existing Share Sale Agreement ("**Original SSA**") within 60 days, and agree as follows:

- RCM will complete a 1 for 2 capital consolidation of all of its issued capital;
- RCM will issue 200,000,000 fully paid ordinary Consideration Shares upon completion of the acquisition;
- RCM will issue 50,000,000 fully paid ordinary shares upon the achievement of the Milestone (see below);
- RCM will issue 40,000,000 fully paid ordinary shares to senior management of Rision under a proposed employee share scheme; and
- RCM will issue 20,000,000 fully paid ordinary Facilitation Shares upon completion of the acquisition.

"Milestone" means: the issue of 50,000,000 Milestone Shares post Consolidation. The Milestone will be met if on or before 30 June 2019:

- a) Rision achieves \$5 million in EBITDA during a consecutive 12 month period; or
- b) Rision being sold by RCM for a minimum of \$150M; or
- c) RCM being valued at not less than \$150M.

Conditions Precedent

Completion of the acquisition is subject to a number of conditions as follows:

- i) RCM consolidating its existing issued capital on the basis of 1 new share for every 2 existing shares;
- ii) RCM successfully completing a capital raising to raise not less than \$3,000,000;
- iii) RCM and Rision obtaining all required shareholder and regulatory approvals; and
- iv) Rision Shareholders agreeing to execute the SSA; and

Rision will be entitled to nominate 3 persons to the Board of Directors on completion of the acquisition.

Sophisticated Placement

RCM is seeking to undertake a sophisticated placement to raise between \$1,200,000 and \$1,500,000 by way of convertible note. The convertible notes will convert into fully paid ordinary shares at completion of the acquisition at \$0.01 per share (post consolidation) with each shares having one free attaching option, exercisable at \$0.03 and expiring on 31 December 2017.

Re-compliance with Chapters 1 & 2 of the ASX Listing Rules

ASX has determined that RCM will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as part of the acquisition of Rision. RCM's shares were placed in suspension on 30 June 2015 following approval of the acquisition of Rision pursuant to the Original SSA at a shareholder meeting held on that day. RCM will be required to call a further meeting of shareholders, at which the shareholders will be asked to approve the acquisition on the terms of the SSA. RCM's shares will remain suspended from trading on ASX until the requirements of Chapters 1 & 2 of the ASX Listing Rules have been satisfied.

Indicative Capital Structure after Completion of the Acquisition

The table below reflects the indicative capital structure based on a 1 for 2 capital consolidation.

	Number of Shares
Current issued capital	626,699,469
Issued Capital following 1 for 2 capital consolidation	313,349,735
Sophisticated placement (Convertible Notes. Based on maximum)	150,000,000
Shares to be issued in capital raising, completed as part of the re-compliance with Chapters 1 & 2 of the ASX Listing Rules (Assumes \$0.02 per share)	150,000,000
Employee Share Scheme Shares ⁽ⁱⁱ⁾	40,000,000
Facilitation Shares to be issued	20,000,000
Consideration Shares to be issued	200,000,000
Total Shares on Issue following Completion and Re-compliance ⁽ⁱ⁾	873,349,735
Milestone Shares to be issued	50,000,000
Total Shares on Issue following Completion and Re-compliance assuming Milestones satisfied ⁽ⁱ⁾	923,349,735

(i) The above table and total issued shares after completion of the acquisition is indicative only and are subject to change.

(ii) The Employee Shares Scheme securities to be issued may be completed in shares or options.

	Number of Options
Options exercisable at \$0.03 per Share, expiring on 31 December 2017 (resulting from Convertible Notes. Based on maximum)	150,000,000

Deborah Ho
Company Secretary