

## **Antares Mining Limited**

ABN 38 119 047 693

To be renamed WestStar Industrial Limited, subject to Shareholder approval.

## **Notice of General Meeting**

10:30am (WST) 18 April 2016

At the offices of HLB Mann Judd Level 4, 130 Stirling Street Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6143 4100.

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## Important notices

#### General

This Notice of Meeting is dated 17 March 2016.

Shareholders should read this document in its entirety before making a decision as to how to vote on the Resolutions.

#### Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of a proposed change of activities of Antares through the Precast Acquisition and the manner in which that transaction will be implemented (if approved); and
- (b) provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions to give effect to these matters.

#### Preparation of and responsibility for this document

This document has been prepared by Antares and its Board of Directors. Antares and the Directors are responsible for this document.

ASX does not take any responsibility for the contents of this Notice of Meeting, and the fact that ASX may re-admit the securities of Antares to quotation on the official list is not to be taken in any way as an indication of the merits of Antares or Precast.

#### Defined terms and glossary

Capitalised terms and certain abbreviations used in this document have the defined meanings set out in the Glossary on page 38.

#### Investment decisions

This document does not take into account the individual investment objectives, financial situation or particular needs of any Shareholder or any other person. Shareholders should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other appropriate adviser.

#### **Enquiries**

Shareholders are requested to contact the Company Secretary on +61 8 6143 4100 if they have any queries in respect of the matters set out in this Notice of Meeting or the accompanying Explanatory Statement.

## Time and place of Meeting and how to vote

#### Time and place of Meeting

Notice is given that the General Meeting will be held at 10:30am WST on 18 April 2016 at the offices of HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia.

#### Your vote is important

The business of the General Meeting affects your shareholding and your vote is important.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and Proxy Form each form part of this Notice of Meeting.

#### Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 10:30am WST on 16 April 2016.

#### Voting in person

To vote in person, attend the General Meeting at the time, place and date set out above.

#### Voting by proxy

In accordance with section 249L of the Corporations Act, members are advised that:

- (a) each member has a right to appoint a proxy;
- (b) the proxy need not be a member of Antares; and
- (c) a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these sections, as they will apply to this Meeting. Broadly, the sections mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the chair, who must vote the proxies as directed.

Further details on these legislative requirements are set out below.

#### Proxy vote if appointment specifies way to vote

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### Transfer of non-chair proxy to chair in certain circumstances

lf:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

## **Business of the General Meeting**

## Resolution 1 - Change to nature and scale of activities

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 each other Resolution, for the purpose of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities as set out in the Explanatory Statement including, without limitation, through the Precast Acquisition."

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by a 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.

## Resolution 2 - Consolidation of capital

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 each other Resolution, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every 50 Shares be consolidated into 1 Share and every 50 Convertible Notes be consolidated into 1 Convertible Note and where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction down to the nearest whole number."

#### Resolution 3 – Creation of a new class of Securities (Performance Shares)

To consider and, if thought fit, to pass with or without amendment, the following Resolution as a **special resolution**:

"That, subject to the passing of each other Resolution, for the purpose of clause 2.4 of the Constitution and Listing Rule 6.2 and for all other purposes, the Company is authorised to create and issue a new class of shares, being Performance Shares, on the terms and conditions set out in the Explanatory Statement and Annexure B."

## Resolution 4 – Issue of WestStar Consideration Securities to WestStar and increase in Relevant Interest

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 each other Resolution, for the purpose of Listing Rules 10.1 and 10.11 and Section 611 item 7 of the Corporations Act and for all other purposes, approval is given for:

- (a) the acquisition of a substantial asset from a related party of the Company (namely WestStar, one of the Precast Vendors);
- (b) the Directors to issue (each on a post-Consolidation basis):
  - (i) 60 million Shares;
  - (ii) 15 million Options exercisable at \$0.10 each on or before the date falling 3 years after their issue date; and
  - (iii) 60 million Performance Shares,

(together, the WestStar Consideration Securities) to WestStar (or its nominee(s)) in partial consideration for the Precast Acquisition; and

(c) the resulting acquisition by WestStar and Mr Lay Ann Ong (or their nominee(s)) of voting power in the Company in excess of 20%,

on the terms and conditions set out in the Explanatory Statement."

#### **Independent Expert's Report**

The Independent Expert has prepared the Independent Expert's Report relating to the approval required for the purpose of Section 611 item 7 of the Corporations Act and Listing Rule 10.1 and concluded that the transactions the subject of Resolution 4 are **fair and reasonable** to the Company's Shareholders. The Independent Expert's Report is set out in Annexure F to this Notice. Shareholders should carefully read the Independent Expert's Report as it provides information which the Directors believe to be material to shareholders in deciding whether or not to pass this Resolution.

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by WestStar, Passpa and Mr Lay Ann Ong (and their respective nominees).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

## Resolution 5 – Issue of Shares to related party noteholder

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

"That, for the purposes of Listing Rule 10.11 and Section 611 item 7 of the Corporations Act and for all other purposes, approval is given for:

- (a) the Directors to issue such number of Shares (on a post-Consolidation basis) to Mr Lay Ann Ong (a Director) (or his nominee(s)) upon conversion of Convertible Notes as is calculated in accordance with the formula set out in the Explanatory Statement, and otherwise on the terms and conditions set out in the Explanatory Statement; and
- (b) the resulting acquisition by Mr Lay Ann Ong and his associates of voting power in the Company in excess of 20%."

#### **Independent Expert's Report**

The Independent Expert has prepared the Independent Expert's Report relating to the approval required for the purpose of Section 611 item 7 of the Corporations Act and concluded that the issue of Shares upon conversion of the Convertible Notes is **fair and reasonable** to the Company's Shareholders. The Independent Expert's Report is set out in Annexure F to this Notice. Shareholders should carefully read the Independent Expert's Report as it provides information which the Directors believe to be material to shareholders in deciding whether or not to pass this Resolution.

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Mr Lay Ann Ong (and his nominee),.

However, 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

## Resolution 6 – Issue of Passpa Consideration Securities to Passpa

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 each other Resolution, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue (each on a post-Consolidation basis):

- (a) 20 million Shares;
- (b) 5 million Options exercisable at \$0.10 each on or before the date falling 3 years after their issue date; and
- (c) 20 million Performance Shares,

(together, the Passpa Consideration Securities) to Passpa (or its nominee(s)) in partial consideration for the Precast Acquisition, on the terms and conditions set out in the Explanatory Statement."

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by the Precast Vendors (and their respective nominees) and any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

## **Resolution 7 – Capital Raising**

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 each other Resolution, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue a minimum of 60 million Shares and up to 80 million Shares (each on a post-Consolidation basis) at an issue price of \$0.05 per Share to raise a minimum of \$3 million and up to \$4 million on the terms and conditions set out in the Explanatory Statement."

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who may participate in the proposed issue or any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

## Resolution 8 – Change of Company name

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution:** 

"That, subject to the passing of each other Resolution and completion of the Precast Acquisition, for the purposes of sections 157(1)(a) and 136(2) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "WestStar Industrial Limited" with effect from completion of the Precast Acquisition, and for all references to the Company's name in the Constitution to be replaced with WestStar Industrial Limited."

## Resolution 9 – Issue of Options to a related party – Sanston Securities

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 5 million Options (on a post-Consolidation basis) exercisable at \$0.10 each on or before the date falling 3 years after their issue date to Sanston Securities (or its nominee(s)) on the terms and conditions set out in the Explanatory Statement."

#### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by Sanston Securities (and its nominees).

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

## Resolution 10 – Issue of Shares to CPS Capital

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 each other Resolution, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 4 million Shares (on a post-Consolidation basis) at a deemed issue price of \$0.05 per Share to CPS Capital (or its nominee(s)) on the terms and conditions set out in the Explanatory Statement."

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who may participate in the proposed issue or any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

**Dated: 17 March 2016** 

By order of the Board

**Peter Torre** 

**Company Secretary** 

## **Explanatory Statement**

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

The main purpose of the Meeting is to seek from Shareholders the approvals required for a change to the nature and scale of the Company's activities and the various approvals arising from the Precast Acquisition.

## Part 1 – Overview of the Precast Acquisition

## 1. Current operations and background to Antares

Antares Mining Limited is a Perth based public company listed on the official list of ASX (ASX Code: AWW) currently focusing on mineral exploration and resource investment.

The Company's sole asset comprises a 25% shareholding in Copper Range. Copper Range is the holder of 9 tenements covering approximately 2,365km² in the Olympic Domain district of South Australia. Forte Energy NL (Forte), the holder of the remaining 75% interest in Copper Range, provides 100% of the funding for the project and will continue to do so until such time as a decision to mine is made. The Company sold the 75% interest in Copper Range to Forte (Copper Range Sale) following unsuccessful attempts to obtain financing to allow the Company to exploit the Copper Range assets on its own.

As noted in the Company's announcement on 26 March 2015 regarding the Copper Range Sale, the Company has been actively looking for alternative assets that can be acquired to provide Shareholder value. The evaluation of opportunities has culminated in the announcement on 29 December 2015 of the proposed Precast Acquisition.

The Company also intends to dispose of its remaining interest in Copper Range following completion of the Precast Acquisition. The Directors will continue to explore the mechanisms by which this disposal might be effected in the best interests of Shareholders, whether by way of asset or share sale, or otherwise.

## 2. Change to the nature and scale of activities

The Precast Acquisition involves a significant change to the nature of the Company's main business activity from mineral exploration and resource investment to the manufacture of precast concrete products.

Furthermore, the Precast Acquisition involves a significant change to the size of the Company's business operations.

Given these circumstances, ASX has exercised its discretion to require the significant change to the nature and scale of the Company's main business activity to be approved by the Company's Shareholders under Listing Rule 11.1.2. This approval is sought from Shareholders in Resolution 1.

#### 3. Information on Precast's business

Precast was incorporated on 24 September 2014 and specialises in the production of a construction product that is produced by casting concrete in a reusable mould which is cured in a controlled environment, transported to site and then lifted into place. The company operates its business from its manufacturing plant in Kwinana Beach, Western Australia.

Precast has an in-house steel fabrication shop and in-house reinforcement bending machines that enable the business to manufacture all required steel moulds and cut and bend those moulds to customer specifications. Precast's products include walls, floors, columns, marine structures, streetscapes and architectural applications.

The use of precast concrete is widely regarded as an economic, durable, structurally sound and architecturally versatile form of construction. The company's manufacturing processes are accredited for quality as per ISO 9001:2008 and AS/NZS 4801:2001 certified for Occupational Health and Safety.

Precast operates within the construction, project and civil construction sectors in Western Australia. Tier 1 customers include Laing O'Rourke, Cimic Group, John Holland and Decmil Australia.

#### **Business model**

Upon completion of the Precast Acquisition, the Company's business model will comprise the following:

- exploring the mechanisms by which the disposal of its Copper Range interest might
  be effected in the best interests of Shareholders (as noted above) and
  consummating such a transaction if and when appropriate terms are able to be
  negotiated; and
- focusing on Precast's business model, being to enhance revenue generation through the sale of precast concrete products.

#### **Future plans**

To date, Precast has operated a business model based on tendering as a supplier of choice to tier-one contractors for the off-site manufacture and supply of precast concrete products to large-scale infrastructure projects and construction sites. Although successful, this business model has been reactive. Accordingly, in order to increase the scale of the business, Precast has developed the following business plan with respect to organic and acquisitive growth:

- focus on sales and marketing: Precast plans to take advantage of existing resources in its estimating and business development departments to drive sales and marketing initiatives to improve the company's ability to respond to tender opportunities. It is hoped that this focus on sales and marketing will lead to greater tender opportunities that will in turn drive organic sales growth.
- invest in "off the shelf" product offering and improve cashflow: Precast plans
  to invest in the design and development of more generic product sets than the
  current bespoke solutions provided by the business. It is hoped that increasing
  sales volumes of lower-priced "off the shelf" products with higher margins will
  improve cashflow. Precast believes that the potential market for generic products
  will complement its existing market base and promote smoother production and

cash flow than is currently provided by the manufacture and supply of precast concrete solutions to larger, tier-one contractors.

- increase scale and competitive advantage: Precast intends to commission new
  casting beds to respond to current and future demand and explore new technologies
  in the precast concrete industry which have the capacity to reduce labour inputs and
  provide higher returns. In addition, Precast intends to investigate different mould
  libraries for different markets.
- pursue acquisitive growth: Precast will monitor existing competitors in niche sectors as potential acquisition targets to provide further synergies, thereby pursuing both organic and acquisitive growth opportunities.

#### 4. Financial information on Precast

In assessing the suitability of the Precast Acquisition, the Directors have evaluated the forward prospects of Precast. Further detail on Precast will be contained in the Prospectus. The following table summarises the historical income statements of Precast for the period between 24 September 2014 (being Precast's incorporation date) and 31 December 2015. This information has been extracted from Precast's audited financial statements for the period ended 31 December 2015:

Historical	Note	6 months to 31 December 2015	25 September 2014 to 30 June 2015
Revenue and other income			
Sales revenue	1	4,977,828	2,470,425
Other revenue	1	20,578	19,747
		4,998,406	2,490,172
Less: expenses	_		
Cost of sales		(3,852,069)	(1,559,783)
Administration expenses		(756,216)	(1,208,167)
Distribution expenses		(139)	(168)
Marketing expenses		-	(2,151)
Occupancy expenses		(210,084)	(305,824)
Borrowing costs	2	(46,634)	(35,728)
		(4,865,142)	(3,111,821)
Profit/(loss) before income tax expense	_	133,264	(621,649)
Other comprehensive income for the period		-	-
Total comprehensive income/(loss) attributable to the members of the entity		133,264	(621,649)

Note 1: Revenue and other income	31 December 2015 (\$)	30 June 2015 (\$)
Sale of goods	4,977,828	2,470,425
Interest income	1,928	2,443
Other revenue	18,650	17,304
	4,998,406	2,490,172

Note 2: Operating profit	31 December 2015 (\$)	30 June 2015 (\$)
Loss before income tax has been determined after:		
Cost of sales		
Purchases/materials used	1,045,115	529,359
Other cost of goods sold	156,638	101,711
Direct labour costs	-	1,461
Manufacturing costs	2,650,316	927,252
	3,852,069	1,559,783
Finance costs		
Associated companies	46,634	35,707
Other	-	21
	46,634	35,728
Depreciation	37,212	57,413
Rental expenses on operating leases	27,405	6,359
Employee benefits:		
Other employee benefits	385,348	631,559

Further information on Precast's financial performance is contained in the Independent Expert's Report and a full copy of Precast's audited accounts for the periods noted above will be lodged with ASIC or form part of the Prospectus.

## 5. Material terms of the Precast Acquisition

On 29 December 2015, the Company entered into a Sale Agreement with the Precast Vendors (being WestStar (an entity controlled by Director, Mr Lay Ann Ong) and Passpa) to acquire all the issued share capital of Precast in consideration for the issue to the Precast Vendors of (each on a post-Consolidation basis):

- 80 million Shares;
- 20 million Options; and
- 80 million Performance Shares,

(together, the Consideration Securities).

The Sale Agreement contains warranties and indemnities in favour of the Company consistent with usual market practice.

The principal outstanding conditions precedent to completion of the Precast Acquisition are:

- the Company completing due diligence on Precast and being satisfied with the results of that due diligence;
- Precast completing due diligence on the Company and being satisfied with the results of that due diligence;
- the Resolutions being passed at the Meeting;
- the Company undertaking the Capital Raising and receiving valid applications for at least \$3 million under the Capital Raising;
- the Company undertaking the Consolidation; and

 ASX granting conditional approval for the Company's Shares to be reinstated to trading on ASX, subject only to the satisfaction of customary terms and conditions which are acceptable to Antares, acting reasonably.

These conditions must be satisfied or waived by the Company by no later than 30 May 2016.

## 6. Independent Expert's Report

The Independent Expert has prepared the Independent Expert's Report on whether in its opinion:

- the acquisition of voting power in the Company in excess of 20% upon the issue of the WestStar Consideration Securities (pursuant to Resolution 4) and conversion of Convertible Notes (pursuant to Resolution 5) by Mr Lay Ann Ong, a Director; and
- the acquisition of a substantial asset from WestStar (an entity controlled by Mr Ong) through the proposed Precast Acquisition,

are fair and reasonable to the Company's Shareholders and concluded that:

- the acquisition of voting power in the Company in excess of 20% by Mr Ong upon the issue of the WestStar Consideration Securities to WestStar (an entity controlled by Mr Ong) and the conversion of Convertible Notes by Mr Ong is fair and reasonable; and
- the Precast Acquisition is fair and reasonable.

The Independent Expert's Report is set out in Annexure F to this Notice. Shareholders should carefully read the Independent Expert's Report as it provides information which the Directors believe to be material to Shareholders in deciding whether or not to approve the proposed transactions.

## 7. Board and management

On completion of the Precast Acquisition the Company's Board of Directors will continue to comprise:

- Mr Lay Ann Ong as Non-Executive Chairman;
- Mr Frank Licciardello as Managing Director; and
- Mr David Wheeler as Non-Executive Director.

The Board will continue to assess its needs at both a Board and management level as the new business progresses and when a decision is made in relation to the disposal of the Company's remaining interest in Copper Range.

## 8. Re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has notified the Company that the significant change to the nature and scale of the Company's main business activity arising from the Precast Acquisition will require recompliance with ASX's admission requirements in chapters 1 and 2 of the Listing Rules.

The Company's Shares have been suspended from quotation since 19 April 2013. If Shareholders approve the change to the nature and scale of activities of the Company and the other Resolutions, trading in the Company's securities will not re-commence until ASX's re-admission requirements have been satisfied.

## 9. Pro-forma capital structure

The effect of the issue of the Consideration Securities on the Company's capital structure is set out in the following table<sup>1</sup>:

Table 9.1	Shares	Options <sup>2</sup>	Performance Shares <sup>2</sup>	Convertible Notes <sup>2, 4</sup>
Current issued capital	23,338,772	0	0	25,000,000
Consideration Securities	80,000,000	20,000,000	80,000,000	0
Total issued capital following issue of the Consideration Securities	103,338,772	20,000,000	80,000,000	25,000,000

#### Notes:

- 1. All numbers in the above table are stated on a post-Consolidation basis, ignoring the treatment of fractional entitlements under the Consolidation.
- 2. The terms attaching to the Performance Shares, Options and Convertible Notes are set out in Annexures B, C and E respectively.
- Table 9.1 ignores the impact of the other issues and conversions of securities contemplated by this Notice.
- The Convertible Notes will automatically convert into Shares upon the Company receiving conditional approval from ASX for its Shares to be reinstated to trading on ASX.

The Company's capital structure immediately following completion of the Precast Acquisition, the equity issues and conversions contemplated under this Notice of Meeting is set out in the following table:

Table 9.2		
Shares	Number <sup>1</sup>	
Shares currently on issue	23,338,772	
Shares to be issued to the Precast Vendors in consideration for the Precast Acquisition (Resolutions 4 and 6)	80,000,000	
Shares to be issued to CPS Capital (Resolution 10)	4,000,000	
Minimum number of Shares to be issued pursuant to the Capital Raising at \$0.05 each (Resolution 7)	60,000,000	
Oversubscriptions at \$0.05 each (Resolution 7)	20,000,000	
Shares to be issued at \$0.04 per Share upon conversion of Convertible Notes (issued by the Company on 9 September 2015) <sup>2</sup>	25,000,000	
Total Shares on completion of the Precast Acquisition and the Capital Raising	212,338,772	

Table 9.2		
Performance Shares	Number <sup>1</sup>	
Performance Shares to be issued to the Precast Vendors in consideration for the Precast Acquisition (Resolutions 4 and 6)	80,000,000	
Total Performance Shares on completion of the Precast Acquisition	80,000,000	
Options	Number <sup>1</sup>	
Options to be issued to the Precast Vendors in consideration for the Precast Acquisition exercisable at \$0.10 each on or before the date falling 3 years after their issue date (Resolutions 4 and 6)	20,000,000	
Options to be issued to Sanston Securities in connection with its appointment as Lead Manager to the Capital Raising, exercisable at \$0.10 each on or before the date falling 3 years after their issue date (Resolution 9)	5,000,000	
Total Options on completion of the Precast Acquisition	25,000,000	

#### Notes:

- 1. All numbers and amounts in the above table are stated on a post-Consolidation basis, ignoring the treatment of fractional entitlements under the Consolidation.
- Disregarding Shares to be issued in satisfaction of accrued interest as at the date of conversion. For an example of the potential impact of the conversion of accrued interest into Shares, refer to the Explanatory Statement under the heading "Resolutions 4 and 5 – Issue of WestStar Consideration Securities to WestStar, conversion of Notes and increase in Relevant Interest".

## 10. Indicative timetable

An indicative timetable for re-compliance with the admission requirements is set out in the following table:

Event	Date <sup>1</sup>
Consolidation announced and Notice of Meeting dispatched	18 March 2016
Lodge Prospectus with ASIC and ASX	15 April 2016
General Meeting ASX notified that Shareholders have approved the Consolidation.	18 April 2016
Last day for trading in pre-Consolidation securities. <sup>2</sup>	19 April 2016
Trading in post-Consolidation securities on a deferred settlement basis starts. <sup>2</sup>	20 April 2016
Application for admission to ASX (Appendix 1A)	21 April 2016
Record date for the Consolidation.  Last day to register transfers on a pre-Consolidation basis.	21 April 2016
First day to notify securityholders of the number of securities held before and after the Consolidation.  First day to register securities on a post-Consolidation basis and first day for issue of holding statements.	22 April 2016
Opening of offer under the Prospectus	25 April 2016
Consolidation issue date (securityholders' holdings updated to reflect the effect of the Consolidation).  Deferred settlement market ends. <sup>2</sup>	29 April 2016
Close of offer under the Prospectus	20 May 2016

Event	Date <sup>1</sup>
Completion of Precast Acquisition and issue of Shares under the Prospectus	27 May 2016
Expected date for re-quotation of the Company's securities on ASX	3 June 2016

#### Notes:

- 1. The above dates are indicative only and are subject to change without notice.
- 2. The Company's securities have been suspended from trading since 19 April 2013. Notwithstanding this, it is a requirement of Appendix 7A clause 8 of the Listing Rules that the above timetable shows the usual events that occur in a consolidation of capital (such as the last day for trading in pre-Consolidation securities, the date that trading in post-Consolidation securities on a deferred settlement basis starts and the date the deferred settlement market ends). Investors should note that the Company's securities will remain suspended (notwithstanding the consolidation timetable events listed in the timetable above) until the Company has recompiled with the ASX admission requirements under chapters 1 and 2 of the Listing Rules.

## 11. Pro-forma statement of financial position

Set out in Annexure A is a pro-forma consolidated statement of financial position of the Company which illustrates the effect of the Precast Acquisition, the Capital Raising and the issue of Shares upon conversion of Convertible Notes as if they had occurred on 1 January 2016.

## 12. Advantages and disadvantages of the Precast Acquisition

This section sets out the key advantages and disadvantages of the Precast Acquisition. In addition to the advantages and disadvantages set out below, the Directors refer you to the Independent Expert's Report which is included with this Notice of Meeting. The Directors believe the advantages of the proposed transactions substantially outweigh the disadvantages.

#### **Advantages**

- Fair and reasonable: The Independent Expert has concluded that the Precast Acquisition is fair and reasonable on the basis that the value of a Share prior to the Precast Acquisition on a controlling basis is lower than the value of a Share following completion of the Precast Acquisition on a minority basis and the advantages of the transaction to non-associated Shareholders outweigh the disadvantages.
- More certain return to Shareholder value creation: The Directors have been mindful of the state of the Australian share market and the financing difficulties in the global junior resources sector. As a result, they have sought good investment opportunities. In the current share market environment there is greater likelihood of restoring Shareholder value by progressing the Precast Acquisition than if Antares were simply to remain a junior mineral explorer.
- Increased investor interest and market liquidity: Antares' Shares have been suspended from trading on ASX since 19 April 2013 and will remain suspended until the Company re-complies with chapters 1 and 2 of the Listing Rules. It is not unreasonable to anticipate improved liquidity going forward following completion of the Precast Acquisition (particularly because if the Precast Acquisition does not proceed, the Company will be delisted from ASX). Furthermore, a larger market capitalisation and enhanced Shareholder base resulting from the Capital Raising may provide a more liquid market for the Company's Shares than currently exists.

- No cash payment for an existing growing business with track record: The
  proposed Precast Acquisition does not require the payment of cash consideration.
  This will help the Company retain cash raised through the Capital Raising and
  reduce cash flow strain, thereby assisting the Company to grow the Precast
  business and cover its working capital requirements.
- Performance Shares align objectives: Furthermore, part of the consideration
  payable to the Precast Vendors includes Performance Shares that are linked to a
  milestone relating to Precast's financial performance over a 24-month period (refer
  to Annexure B for further details). The Performance Share milestone must be
  achieved before the Performance Shares will convert into Shares. The inclusion of
  this form of consideration therefore aligns the Precast Vendors' objectives with those
  of the Company.
- Improved ability to raise funding: Shareholders may be exposed to further debt
  and equity funding opportunities that the Company did not have before the Precast
  Acquisition. The Company's ability to raise funds and attract expertise will likely be
  improved.
- New investment potential: The Precast Acquisition may encourage new investors
  in the Company as the Company will be pursuing a new strategic direction. This
  improvement in the attractiveness of an investment in the Company may lead to an
  increased liquidity of Shares and greater trading depth than currently experienced by
  Shareholders.

#### **Disadvantages**

- Issue of Securities pursuant to the Resolutions will dilute existing Shareholders: Assuming:
  - (a) the Capital Raising is fully subscribed; and
  - (b) the Convertible Notes (plus all accrued interest) convert into Shares on 3 June 2016 (being the estimated date of the reinstatement of the Shares to trading on ASX),

the completion of the Precast Acquisition and the implementation of the transactions the subject of the Resolutions will result in Shareholders' interests in the Company being diluted by approximately:

- (c) 89.17% on an undiluted basis; or
- (d) 92.72% on a fully diluted basis.

Consequently, the current Shareholders' influence over the Company's affairs (including the composition of the Board and the acquisition and disposal of assets) will be reduced.

- Change of business focus and with a move away from mineral exploration focus: It is very likely that the Company will, following completion of the Precast Acquisition, move away from mineral exploration and resource investment and focus on the business operated by Precast. This may be seen as a disadvantage to some Shareholders who were seeking, via the Company, a "pure" mineral exploration investment.
- Transaction and Capital Raising costs: The proposed Precast Acquisition has required Antares to engage a number of advisers, lawyers and experts to facilitate

and report on the transaction. This work includes preparation of the Notice of Meeting, the Independent Expert's Report and a prospectus (including an Investigating Accountant's Report) to ensure compliance with the Listing Rules and other statutory requirements and approvals.

- New risk profile: The Company and its Shareholders will be exposed to risks associated with Precast and its business, including (but not limited to) those set out in paragraph 13 below.
- Reduced likelihood of a takeover offer: If the Precast Acquisition proceeds, the
  Company's issued Shares will be held by a small number of large Shareholders (see
  further below). This may discourage any other potential bidder from making a
  takeover bid in the future as those Shareholders will have significant control over the
  Company.
- Change to largest Shareholders: Following the issue of the Consideration Securities to the Precast Vendors (one of whom, WestStar, is an entity controlled by Director, Lay Ann Ong), the Precast Vendors will become the largest Shareholders in the Company. In this scenario, the Precast Vendors may have the ability to significantly influence or control the Company.

#### 13. Risks

#### Specific risk factors

- Poor liquidity: A significant number of the Shares to be issued pursuant to the Resolutions are likely to be classified by ASX as restricted securities and will be required to be escrowed for up to 24 months from the date of reinstatement of the Company's Shares to trading on the ASX. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on a Shareholder's ability to dispose of his or her Shares in a timely manner.
- **Personnel:** Precast is reliant on the expertise and talent of its personnel. The loss of key personnel could have an adverse impact on the operations of the organisation.
- Overseas producers and major competitors: The concrete product manufacturing
  industry is currently under threat from overseas producers and over 90% of the
  market share of domestic production is controlled by just seven companies.
  Competition in the industry is therefore high, presenting a challenge to Precast's
  ability to remain competitive within this environment.
- Additional requirements for capital: The Company's capital requirements are influenced by numerous factors. Depending on the rate of growth, the ability to generate revenue and other factors, the Company may require financing in addition to the amounts raised under the Capital Raising. Any additional equity financing may dilute shareholdings and debt financing, if available, may place restrictions on operating and financing activities. If the Company cannot acquire additional financing then it may be forced to alter its plan of operations.

#### **General risk factors**

- Economic conditions: Precast's performance is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some or all of the factors listed below:
  - (a) future demand for capital projects;

- (b) the level of spending on capital projects globally;
- (c) a shortage or oversupply of key inputs in construction projects;
- (d) general financial issues which may affect policies, exchange rates, inflation and interest rates;
- deterioration in economic conditions, possibly leading to reductions in consumer spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance;
- (f) the strength of the equity and share markets in Australia and throughout the world:
- (g) financial failure or default by any entity with which Precast may be or become involved in a contractual relationship;
- (h) industrial disputes in Australia and overseas;
- (i) changes in investor sentiment toward particular market sectors;
- (j) the demand for, and supply of, capital; and
- (k) terrorism or other hostilities.
- **Government policies and legislation**: The construction industry may be affected by changes to government policies and legislation, including those relating to occupational health and safety, and taxation.
- **Insurance**: The Company, wherever practicable and economically advisable, utilises insurance to mitigate business risks. Such insurance may not always be available or particular risks may fall outside the scope of insurance cover. In addition, there remains the risk that an insurer could default in the payment of a legitimate claim by the Company.
- Litigation: Litigation brought by third parties including but not limited to customers, suppliers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.
- Other general risks: Other general risks associated with investment in the Company may include:
  - (a) fluctuation of the price at which the Company's shares trade due to market factors; and
  - (b) price volatility of the Company's shares in response to factors such as:
    - (i) additions or departures of key personnel;
    - (ii) litigation and legislative change;
    - (iii) press newspaper or other media reports; and
    - (iv) actual or anticipated variations in the Company's operating results.

# 14. Future direction for the Company if the change to nature and scale of activities is not approved

ASX's policy (as set out in ASX Guidance Note 33 – Removal of Entities from the ASX Official List) which was introduced on 1 January 2014 provides that ASX will automatically remove from the official list any entity whose securities have been suspended from trading for a continuous period of 3 years. As the Company's securities have been suspended from official quotation since 19 April 2013, if the Resolutions are not passed and the Precast Acquisition and the Capital Raising do not proceed, the Company will be removed from the official list of ASX.

#### 15. Directors' recommendation

The Directors consider that the proposed change to the nature and scale of activities of the Company arising from the Precast Acquisition has the potential to add significant Shareholder value for Shareholders.

Mr Lay Ann Ong has a material interest in the outcome of the Resolutions (other than Resolution 10) by virtue of the fact that he controls WestStar, one of the Precast Vendors. Mr Frank Licciardello also has a material interest in the outcome of the Resolutions (other than Resolution 10) by virtue of the fact that he controls Sanston Securities, an entity which will receive a success fee in connection with the Precast Acquisition if it is successful.

Accordingly, the Directors (other than Mr Lay Ann Ong and Mr Frank Licciardello,) recommend the Precast Acquisition, and that Shareholders vote in favour of the Resolutions. All Directors recommend that Shareholders vote in favour of Resolution 10.

## Part 2 – Explanation of the Proposed Resolutions

## Resolution 1 - Change to nature and scale of activities

#### **Background**

Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. In addition, the following rules apply in relation to the proposed change:

- (a) The entity must give ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) If ASX requires, the entity must get the approval of holders of its ordinary securities; and
- (c) If ASX requires, the entity must meet the requirements in chapters 1 and 2 of the Listing Rules as if the entity were applying for admission to the official list.

The Company's proposed acquisition of all the issued share capital of Precast will involve a significant change to the nature of the Company's main business activity from mineral exploration and resource investment to the manufacture of precast concrete products. The Precast Acquisition will also involve a significant change to the size of the Company's business operations.

Given these circumstances, ASX has exercised its discretion to require the Precast Acquisition to be approved by the Company's Shareholders under Listing Rule 11.1.2. ASX has also notified the Company that the Precast Acquisition will require the Company to re-comply with ASX's admission requirements in chapters 1 and 2 of the Listing Rules.

If Resolution 1 is passed, the Company will have complied with the ASX requirement to obtain Shareholder approval for the significant change to the nature and scale of its activities. Conversely, if Resolution 1 is not passed, the Company will not be allowed to change the nature and scale of its activities (as proposed by Resolution 1), the Precast Acquisition will not proceed and the Company's securities will remain suspended from quotation and it is likely the Company will be delisted from ASX.

## Directors' recommendation

The passing of Resolution 1 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 1, you should also vote in favour of each other Resolution.

The Directors (other than Mr Lay Ann Ong and Mr Frank Licciardello, who each have a material interest in the outcome of this Resolution) recommend Shareholders vote in favour of Resolution 1.

## Resolution 2 – Consolidation of capital

#### **Background**

Resolution 2 seeks Shareholder approval to consolidate the number of Shares and Convertible Notes on issue on a 1 for 50 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company and to seek to comply with relevant Listing Rules (as may be amended by waivers from

the ASX, if granted) as part of the re-quotation of the Shares on the ASX, should the Resolutions be passed.

The Directors intend to implement the Consolidation prior to:

- (a) completion of the Precast Acquisition (and the issue of the Consideration Securities);
- (b) the issue of Shares pursuant to:
  - (i) the Capital Raising; and
  - (ii) the conversion of the Convertible Notes; and
- (c) the issue of Options in connection with the Precast Acquisition.

However, the Consolidation will only occur if Shareholders approve the Resolutions.

#### **Corporations Act and Listing Rules requirements**

Section 254H of the Corporations Act provides that a company may, by a resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Listing Rules also require that the number or the conversion price (or both) of convertible securities must be reorganised so that the holders of the convertible securities do not receive a benefit that holders of ordinary securities do not receive. The Company currently has 1.25 billion Convertible Notes on issue, all of which are held by WestStar.

#### Fractional entitlements

Not all Shareholders will hold a number of Shares which can be evenly divided by 50. Where a fractional entitlement occurs, the Company will round the fraction down to the nearest whole number.

#### **Taxation**

It is not considered that any taxation implications will arise for Shareholders from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation. The Company, the Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other Resolutions.

#### **Holding statements**

From the date of the Consolidation, all holding statements for previously quoted Shares will cease to have any effect, except as evidence of an entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares proposed to be quoted to be issued to holders of those Shares.

It is each Shareholder's responsibility to check the number of Shares held prior to subsequent disposal.

## Effect on capital structure

The estimated effect which the Consolidation will have on the capital structure of the Company is set out below:

Shares	Pre- Consolidation Number	Post- Consolidation Number <sup>2</sup>
Shares currently on issue	1,166,938,638	23,338,772
Shares to be issued to Precast Vendors	-	80,000,000
Shares to be issued to CPS Capital	-	4,000,000
Maximum number of Shares to be issued pursuant to the Capital Raising (including oversubscriptions)	-	80,000,000
TOTAL:	1,166,938,638	187,338,772
Convertible Notes <sup>3</sup>		
Convertible Notes (issued by the Company on 9 September 2015) convertible into Shares at \$0.0008 per Share on or before 9 September 2016 <sup>1</sup> (Resolution 5)	1,250,000,000	-
Convertible Notes (issued by the Company on 9 September 2015) convertible into Shares at \$0.04 per Share on or before 9 September 2016 <sup>1</sup> (Resolution 5)	-	25,000,000
TOTAL:	1,250,000,000	25,000,000
	Pre-	Post-
Performance Shares	Consolidation Number	Consolidation Number <sup>2</sup>
Performance Shares  Performance Shares to be issued to Precast Vendors		
		Number <sup>2</sup>
Performance Shares to be issued to Precast Vendors		Number <sup>2</sup> 80,000,000
Performance Shares to be issued to Precast Vendors  TOTAL:	Number	80,000,000 80,000,000 Post- Consolidation
Performance Shares to be issued to Precast Vendors  TOTAL:  Options  Options to be issued to the Precast Vendors (or their nominee(s)) exercisable at \$0.10 each on or before the date falling 3 years after	Number	Number <sup>2</sup> 80,000,000 80,000,000 Post- Consolidation Number <sup>2</sup>

#### Notes:

- 1. Disregarding Shares to be issued in satisfaction of accrued and capitalised interest on the Notes.
- 2. Post-Consolidation figures ignore treatment of fractional entitlements and conversion of Convertible Notes upon reinstatement of the Company to official quotation on ASX.
- 3. The Convertible Notes will automatically convert into Shares upon the Company receiving conditional approval from ASX for its Shares to be reinstated to trading on ASX.

#### Indicative timetable

If the Resolutions are passed, the Consolidation is proposed to take effect in accordance with the indicative timetable set out in Part 1, paragraph 10 of the Explanatory Statement.

#### Directors' recommendation

The passing of Resolution 2 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 2, you should also vote in favour of each other Resolution.

The Directors (other than Mr Lay Ann Ong and Mr Frank Licciardello, who each have a material interest in the outcome of this Resolution) recommend Shareholders vote in favour of Resolution 2.

#### Resolution 3 – Creation of a new class of Securities (Performance Shares)

#### **Background**

The Sale Agreement entered into with the Precast Vendors provides for the acquisition by the Company of all the issued share capital of Precast in exchange for the issue to the Precast Vendors (or their respective nominees) of a total of the following Consideration Securities (on a post-Consolidation basis):

- (a) 80 million Shares;
- (b) 20 million Options; and
- (c) 80 million Performance Shares.

The purpose of Resolution 3 is to seek approval from Shareholders for the creation and issue of the Performance Shares, being a new class of securities having different rights to the existing Shares.

The full terms of the Performance Shares are set out in Annexure B to this Notice, the terms of which remain subject to ASX approval in accordance with Listing Rule 6.1. If ASX does not approve the terms of the Performance Shares set out in Annexure B to this Notice, the Company will release an announcement to the ASX and will dispatch to Shareholders an addendum to this Notice of Meeting in order to update Shareholders accordingly before the Meeting.

#### Section 246C(5) of the Corporations Act

Section 246C(5) of the Corporations Act provides that if a company with one class of shares issues new shares, the issue is taken to vary the rights attached to the shares already on issue if:

- (a) the rights attaching to the new shares are not the same as the rights attaching to shares already issued; and
- (b) those rights are not provided for in the company's constitution or a notice, document or resolution that is lodged with ASIC.

Further, section 246B of the Corporations Act and the Constitution provide that the rights attached to shares in a class of shares may be varied only by special resolution of the Company and either:

- (a) by special resolution passed at a meeting of the members holding shares in the class; or
- (b) with the written consent of members with at least 75% of the votes in the class.

#### Directors' recommendation

The passing of Resolution 3 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 3, you should also vote in favour of each other Resolution.

The Directors (other than Mr Lay Ann Ong and Mr Frank Licciardello, who each have a material interest in the outcome of this Resolution) recommend Shareholders vote in favour of Resolution 3.

# Resolutions 4 and 5 – Issue of WestStar Consideration Securities to WestStar, conversion of Notes and increase in Relevant Interest

As WestStar is an entity controlled by Mr Lay Ann Ong, a Director, the impact of the issue of Shares to WestStar and Mr Ong pursuant to Resolutions 4 and 5 is discussed in this Section together.

#### **Background to Resolution 4**

Resolution 4 seeks Shareholder approval for:

- (a) the acquisition of a substantial asset from a related party of the Company (being WestStar, an entity controlled by Mr Lay Ann Ong, a Director), for the purposes of Listing Rule 10.1;
- (b) the issue of the WestStar Consideration Securities (on a post-Consolidation basis) to WestStar (or its nominee(s)) in partial consideration for the Precast Acquisition, for the purposes of Listing Rule 10.11; and
- (c) the consequent acquisition by WestStar and Mr Lay Ann Ong of a Relevant Interest in the Company's voting shares which would otherwise be prohibited by section 606(1) of the Corporations Act.

#### **Background to Resolution 5**

On 9 September 2015 (**Issue Date**), the Company issued 1.25 billion Convertible Notes (on a pre-Consolidation basis) with an aggregate face value of \$1 million (**Convertible Notes** or **Notes**) to Mr Lay Ann Ong (**Investor**) (**Note Placement**). It was a term of the Note Placement that the Company would appoint two nominees of the Investor (being Mr Ong and Mr Frank Licciardello) to the Company's Board of Directors. These new Directors were appointed to the Board on 10 September 2015. The material terms of the Notes are set out in Annexure E.

In addition to being a related party of the Company by virtue of being a Director, Mr Ong is a related party of Precast as he controls Precast's major shareholder, WestStar.

Resolution 5 seeks approval by Shareholders for:

- (a) the issue of Shares to Mr Ong (or his nominee(s)) upon conversion of the Notes, for the purposes of Listing Rule 10.11; and
- (b) the consequent acquisition by Mr Ong of a Relevant Interest in the Company's voting shares which would otherwise be prohibited by section 606(1) of the Corporations Act.

#### Listing Rule 7.1

Pursuant to Listing Rule 7.2 (exceptions 14 and 16), Shareholder approval pursuant to Listing Rule 7.1 is not required in relation to the issue of the WestStar Consideration Securities and Note Conversion Shares where approval is being obtained pursuant to Listing Rule 10.11 and Section 611 item 7 of the Corporations Act respectively.

Accordingly, if Resolutions 4 and 5 are passed, the issue of the WestStar Consideration Securities and Note Conversion Shares will be made without using the Company's 15% annual placement capacity and the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1.

#### Listing Rule 10.1

Listing Rule 10.1 provides that an entity must not acquire a "substantial asset" from, or dispose of a substantial asset to, a related party of the entity without the approval of holders of the entity's ordinary securities.

An asset is "substantial" if its value or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules. The value of the Precast Acquisition is determined by reference to the number of Consideration Securities to be issued (as set out above), which far exceed 5% of the equity interests of the Company. Accordingly, the Precast Acquisition constitutes a substantial asset for the purposes of Listing Rule 10.1.

WestStar (being one of the Precast Vendors) is a related party of the Company by virtue of being an entity controlled by Mr Lay Ann Ong, a Director. The Precast Acquisition, to the extent that it involves an acquisition from WestStar, therefore requires Shareholder approval for the purpose of Listing Rule 10.1.

Shareholder approval sought for the purpose of Listing Rule 10.1 must include a report on the proposed Precast Acquisition from an independent expert. The Independent Expert's Report set out in Annexure F concludes that the Precast Acquisition is **fair and reasonable** to the non-associated Shareholders.

#### Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party unless an exception in Listing Rule 10.12 applies.

As the issue of the WestStar Consideration Securities and Note Conversion Shares involves the issue of Securities to a related party of the Company (being WestStar and Mr Lay Ann Ong respectively), Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 4 and 5:

- (a) With respect to Resolution 4:
  - (i) The following Consideration Securities will be issued to WestStar (or its nominee(s)):
    - (A) 60 million Shares at a deemed issue price of \$0.05 per Share:
    - (B) 15 million Options at a deemed issue price of \$0.008 per Option; and
    - (C) 60 million Performance Shares (refer to Annexure D for further information on the value of the Performance Shares).
  - (ii) The WestStar Consideration Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on one date.
  - (iii) The WestStar Consideration Securities will be issued in partial consideration for the acquisition of Precast (with the remaining consideration for the acquisition of Precast being issued to Passpa pursuant to Resolution 6). Accordingly, no funds will be raised from the issue.

- (iv) The WestStar Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (v) The Options will be issued on the terms and conditions set out in Annexure C.
- (vi) The Performance Shares will be issued on the terms and conditions set out in Annexure B.
- (b) With respect to Resolution 5:
  - (i) The Note Conversion Shares will be issued to Mr Lay Ann Ong (or his nominee(s)).
  - (ii) The number of Note Conversion Shares to be issued is such number of Shares (on a post-Consolidation basis) as is calculated in accordance with the following formula.

$$\frac{A}{\$0.04}$$

where: A equals the aggregate amount of principal, interest and other monies payable to Mr Ong in respect of the Notes. If this formula results in an entitlement to a number of Shares which includes a fraction of a Share, the fraction will be rounded down.

**By way of example:** Mr Ong has subscribed for \$1 million in Convertible Notes. Assuming Mr Ong converts the outstanding balance of his Convertible Notes on the anticipated date of the Company's reinstatement to trading on ASX (being 3 June 2016), a total of \$57,959.79 in interest would be payable and the maximum number of Shares Mr Ong would be issued is 26,448,995 Shares.

- (iii) The Note Conversion Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on one date.
- (iv) The Note Conversion Shares will be issued for a deemed issue price of \$0.04 per Share (on a post-Consolidation basis) in satisfaction of the outstanding amount (including accrued interest) under the Convertible Notes at the time of conversion. Accordingly, no funds will be raised from the issue of the Note Conversion Shares. The funds raised from the Note Placement have been and will continue to be used for working capital.
- (v) The Note Conversion Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

## Sections 606 and 608 of the Corporations Act – statutory prohibition, voting power and Relevant Interests

The Corporations Act and ASIC Regulatory Guide 74 set out a number of regulatory requirements which must be satisfied in relation to a shareholder approval under Section 611 item 7 of the Corporations Act. These are summarised below.

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.

A person (second person) will be an "associate" of the other person (first person) if:

- (a) the first person is a body corporate and the second person is:
  - (i) a body corporate the first person controls;
  - (ii) a body corporate that controls the first person; or
  - (iii) a body corporate that is controlled by an entity that controls the first person;
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Company's board or the conduct of the Company's affairs; or
- (c) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the Company's affairs.

Section 608(1) of the Corporations Act provides that a person has a Relevant Interest in securities if they:

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

Section 608(3) of the Corporations Act provides that a person has the Relevant Interests in any securities held by a body corporate in which the person's voting power is above 20%.

As at the date of this Notice of Meeting, neither WestStar nor Mr Lay Ann Ong hold a relevant interest in any Shares in the Company. However, the issue of:

- (a) 60 million Consideration Shares to WestStar (being 75% of the total number of Consideration Shares to be issued to the Precast Vendors) pursuant to Resolution 4; and/or
- (b) Note Conversion Shares to Mr Ong (who is an associate of WestStar) pursuant to Resolution 5,

will result in an increase in WestStar's and/or Mr Ong's relevant interest in Shares and, consequently, their voting power in the Company.

#### Section 611 item 7 of the Corporations Act – exemption from Section 606

Section 611 of the Corporations Act provides that certain acquisitions of Relevant Interests in a company's voting shares are exempt from the prohibition in Section 606(1), including acquisitions approved previously by a resolution passed at a general meeting of the company in which the acquisition is made (Section 611 item 7).

For the exemption in Section 611 item 7 to apply, Shareholders must be given all information known to the person proposing to make the acquisition or their associates, or known to the Company, that was material to the decision on how to vote on the resolution. ASIC has indicated what additional information should be provided to shareholders in these circumstances.

For the purposes of the Corporations Act and Regulatory Guide 74, the following information is disclosed in relation to the acquisition of a Relevant Interest in the Company by WestStar and Mr Ong.

Shareholders are also referred to the Independent Expert's Report which forms part of this Explanatory Statement at Annexure F.

The figures in the following section assume that:

- (a) all of the Consideration Shares have been issued;
- (b) interest on the Notes accrues until 3 June 2016 (being the current anticipated date for reinstatement of the Company's Shares to trading on ASX) and all Notes plus accrued interest are converted into Shares on that date;
- (c) no additional securities are issued other than those contemplated by Resolutions 6 (Capital Raising) and 9 (issue of Shares to CPS Capital); and
- (d) WestStar, Mr Ong and their associates do not acquire any Shares other than those referred to in Resolutions 4 and 5.

Although the potential increase in WestStar and Mr Ong's voting power is disclosed below in paragraphs (a)(i), (b)(i) and (c)(i) under the heading 'Prescribed information' without showing the dilutionary impact of the Capital Raising on that voting power, it should be noted that if the Capital Raising is not successful, the Precast Acquisition will not proceed, no Consideration Securities will be issued to WestStar and the Notes will not be converted into Shares.

#### Prescribed information:

- (a) The identity of the person proposing to make the acquisition of the Relevant Interest and their associates:
  - (i) WestStar and Mr Lay Ann Ong will acquire the Relevant Interest in the Shares to be issued to WestStar under Resolution 4.
  - (ii) Mr Lay Ann Ong will acquire the Relevant Interest in the Shares to be issued to him under Resolution 5.
  - (iii) WestStar and Mr Ong do not have any other associates.
- (b) The maximum extent of the increase in WestStar's and Mr Ong's voting power in the Company that would result from the acquisition of the Relevant Interest:
  - (i) from 0% to 64.62% (before the issue of the Capital Raising Shares);

- (ii) from 0% to 44.61% (assuming the minimum subscription amount of \$3 million under the Capital Raising is raised); and
- (iii) from 0% to 40.44% (assuming the maximum subscription amount of \$4 million under the Capital Raising is raised).
- (c) The voting power that WestStar and Mr Ong would have as a result of the acquisition of the Relevant Interest:
  - (i) 64.62% (before the issue of the Capital Raising Shares);
  - (ii) 44.61% (assuming the minimum subscription amount of \$3 million under the Capital Raising is raised); and
  - (iii) 40.44% (assuming the maximum subscription amount of \$4 million under the Capital Raising is raised).
- (d) WestStar and Mr Ong have each informed the Company that they:
  - intend to change the Company's business in the manner described in Part 1, Section 2 of this Explanatory Statement;
  - do not presently intend to inject further capital into the Company;
  - do not propose to change the Company's employment arrangements;
  - do not intend to transfer any property between the Company and WestStar nor any person associated with WestStar;
  - do not intend to redeploy any of the Company's fixed assets; and
  - have no current intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to WestStar and Mr Ong at the date of this Notice of Meeting. These present intentions may change as new information becomes available, as circumstances change or in light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

#### **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of WestStar Consideration Securities to WestStar and the Note Conversion Shares to Mr Ong constitutes giving a financial benefit. WestStar is a related party of the Company by virtue of being an entity controlled by Mr Ong, a Director. Mr Ong is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Ong and Mr Licciardello, who each have a material personal interest in Resolutions 4 and 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of:

- (a) the issue of WestStar Consideration Securities to WestStar; and
- (b) the issue of Note Conversion Shares to Mr Ong,

because the giving of the financial benefit in each case is considered to be on arm's length terms (and, in respect of the WestStar Consideration Securities, is on the same terms as the giving of the financial benefit to Passpa, which is not a related party of the Company).

#### Directors' recommendation

The passing of Resolutions 4 and 5 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolutions 4 and/or 5, you should also vote in favour of each other Resolution.

The Directors (other than Mr Lay Ann Ong and Mr Frank Licciardello, who each have a material interest in the outcome of Resolutions 4 and 5) recommend Shareholders vote in favour of Resolution 4 and 5.

#### Resolution 6 – Issue of Passpa Consideration Securities to Passpa

#### **Background**

Resolution 6 seeks Shareholder approval for the issue of the Passpa Consideration Securities (on a post-Consolidation basis) to Passpa (or its nominee(s)) in partial consideration for the Precast Acquisition, for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the issue of the Passpa Consideration Securities will be made without using the Company's 15% annual placement capacity and the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1.

#### **Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

## Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) The maximum number of Consideration Securities to be issued to Passpa is:
  - (A) 20 million Shares at a deemed issue price of \$0.05 per Share;
  - (B) 5 million Options at a deemed issue price of \$0.008 per Option; and
  - (C) 20 million Performance Shares (refer to Annexure D for further information on the value of the Performance Shares).

- (b) The Passpa Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on one date.
- (c) The Passpa Consideration Securities will be issued in partial consideration for the acquisition of Precast (with the remaining consideration for the acquisition of Precast being issued to WestStar pursuant to Resolution 4). Accordingly, no funds will be raised from the issue.
- (d) The Passpa Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) The Options will be issued on the terms and conditions set out in Annexure C.
- (f) The Performance Shares will be issued on the terms and conditions set out in Annexure B.

#### Directors' recommendation

The passing of Resolution 6 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 6, you should also vote in favour of each other Resolution.

The Directors (other than Mr Lay Ann Ong and Mr Frank Licciardello, who each have a material interest in the outcome of this Resolution) recommend Shareholders vote in favour of Resolution 6.

## **Resolution 7 – Capital Raising**

#### **Background**

Resolution 7 seeks approval by Shareholders under Listing Rule 7.1 for the issue of a minimum of 60 million Shares and up to 80 million Shares (in each case, on a post-Consolidation basis) at an issue price of \$0.05 per Share to raise a minimum of \$3 million and up to \$4 million.

The Company proposes to undertake the Capital Raising in conjunction with the Precast Acquisition, under the Prospectus, to satisfy Listing Rule 1.1 condition 3 and re-comply with ASX's admission requirements.

The Company intends to issue the Prospectus on or about 22 April 2016.

If Resolution 7 is passed, it will permit the Directors to complete the Capital Raising no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under Listing Rule 7.1.

## Listing Rule 7.1

Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of Listing Rule 7.3.

(a) The Company will issue a maximum of 80 million Shares (on a post-Consolidation basis) pursuant to the Capital Raising.

- (b) The Shares will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares issued under the Prospectus will be issued on the same date.
- (c) The issue price will be \$0.05 per Share.
- (d) The Shares will be issued to successful applicants under the Prospectus who are not related parties of the Company.
- (e) The Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.
- (f) The funds raised under the Prospectus are intended to be used for the following purposes:

Activity	Minimum Subscription (\$3m)	Maximum Subscription (\$4m)
Expenses of the Capital Raising	\$400,000	\$470,000
Reduction in loan to WestStar	\$700,000	\$1,000,000
Acquisition of additional plant and equipment (including casting beds and upgrade of current facilities and signage)	\$350,000	\$400,000
Expansion of operations both organically and through acquisitions	\$300,000	\$400,000
Sales and marketing	\$500,000	\$700,000
Working capital	\$750,000	\$1,030,000
Total:	\$3,000,000	\$4,000,000

Further details on the use of funds will be provided in the Prospectus.

(g) A voting exclusion statement is included in the Notice.

#### **Directors' recommendation**

The passing of Resolution 7 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 7, you should also vote in favour of each other Resolution.

The Directors (other than Mr Lay Ann Ong and Mr Frank Licciardello, who each have a material interest in the outcome of this Resolution) recommend Shareholders vote in favour of Resolution 7.

## Resolution 8 - Change of Company name

#### **Background**

In accordance with section 157(1)(a) of the Corporations Act, the Company submits to Shareholders for consideration and adoption by way of a special resolution for the name of the Company to be changed to WestStar Industrial Limited.

The Company also seeks approval under section 136(2) of the Corporations Act, to the Constitution being updated to reflect the change of name.

#### Directors' recommendation

The passing of Resolution 8 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 8, you should also vote in favour of each other Resolution.

The Directors recommend Shareholders vote in favour of Resolution 8.

## Resolution 9 – Issue of Options to a related party – Sanston Securities

Resolution 9 seeks approval by Shareholders under Listing Rule 10.11 for the issue of 5 million Options (on a post-Consolidation basis) to Sanston Securities (**Related Party Options**).

Pursuant to an agreement between the Company and Sanston Securities dated 10 September 2015 (**Commencement Date**) (**Sanston Mandate**), the Company appoints Sanston Securities (an entity controlled by Director, Frank Licciardello) as Lead Manager in connection with the Capital Raising.

In consideration for the provision of Capital Raising management, marketing, selling and distribution services by Sanston Securities under the Sanston Mandate, the Company agrees to pay Sanston Securities the following fees in connection with its role as Lead Manager:

- (a) a monthly retainer of \$10,000 plus GST (payable on and from the Commencement Date) (Corporate Advisory Fee);
- (b) a success fee of \$80,000 plus GST (less any amounts paid by way of the Corporate Advisory Fee) upon the successful completion of the Capital Raising;
- (c) a management fee of 2% plus GST of the gross amount raised under the Capital Raising; and
- (d) a selling fee of 5% plus GST of the gross amount raised under the Capital Raising, to the extent such amount was raised from investors introduced by Sanston Securities or its employees or related entities.

In addition, Sanston Securities is entitled to be issued the Related Party Options upon completion of the Capital Raising and to be reimbursed its out of pocket expenses incurred in connection with its role as Lead Manager (including without limitation, legal fees, travel, accommodation, marketing and communication costs).

#### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### **Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 9:

- (a) The Related Party Options will be issued to Sanston Securities (an entity controlled by Director, Frank Licciardello) (or its nominee(s));
- (b) The number of Related Party Options to be issued is 5 million;
- (c) The Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) The Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) The terms and conditions of the Related Party Options are set out in Annexure C.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Options will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

# **Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Options to Sanston Securities constitutes giving a financial benefit and Sanston Securities is a related party of the Company by virtue of being controlled by Mr Frank Licciardello, a Director of the Company.

The Directors (other than Mr Licciardello, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options because the giving of the financial benefit is considered to be on arm's length terms.

#### **Directors' recommendation**

The passing of Resolution 9 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 9, you should also vote in favour of each other Resolution.

The Directors (other than Mr Frank Licciardello, who has a material personal interest in the outcome of Resolution 9) recommend Shareholders vote in favour of Resolution 9.

# Resolution 10 - Issue of Shares to CPS Capital

Resolution 10 seeks approval by Shareholders under Listing Rule 7.1 for the issue of 4 million Shares (on a post-Consolidation basis) at a deemed issue price of \$0.05 per Share to CPS Capital (or its nominee(s)) (CPS Placement).

Pursuant to an agreement between the Company and CPS Capital dated 13 August 2015 (as varied by letter agreement dated 10 September 2015) (**CPS Mandate**), the Company appointed CPS Capital as lead manager, broker and corporate adviser to the Company for capital raising and corporate advisory services.

Under the terms of the CPS Mandate (and in addition to certain other fees), CPS is entitled to receive an introduction fee of 5% plus GST (to be satisfied by the issue of Shares at a deemed issue price of \$0.05 per Share) for any asset which the Company may acquire in the future which is introduced by CPS Capital (**Introduction Fee**). As the Precast Acquisition was introduced to the Company by CPS Capital, the Introduction Fee is payable and has been calculated as 5% of the maximum amount to be raised pursuant to the Capital Raising (5% of \$4 million, being \$200,000 to be satisfied by the issue of 4 million Shares).

If Resolution 10 is passed, it will permit the Directors to complete the CPS Placement no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under Listing Rule 7.1.

#### Listing Rule 7.1

Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of Listing Rule 7.3.

- (a) The Company will issue a maximum of 4 million Shares (on a post-Consolidation basis) pursuant to the CPS Placement.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares issued under the Prospectus will be issued on the same date.
- (c) The deemed issue price will be \$0.05 per Share.
- (d) The Shares will be issued to CPS Capital (or its nominee(s)).
- (e) The Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.
- (f) No funds will be raised under the CPS Placement as the Shares are being issued in satisfaction of fees payable to CPS Capital pursuant to the CPS Mandate.
- (g) A voting exclusion statement is included in the Notice.

#### Directors' recommendation

The passing of Resolution 10 is conditional upon, and subject to, each other Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 10, you should also vote in favour of each other Resolution.

The Directors recommend Shareholders vote in favour of Resolution 10.

# Glossary

In this document the following definitions apply:

\$	means Australian dollars.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or, as the context requires, the Australian Securities Exchange operated by ASX Limited.
Board	means the current board of directors of the Company.
Business Day	means a day other than a Saturday, Sunday or public holiday in Western Australia.
Capital Raising	means the capital raising the subject of Resolution 7.
Company or Antares	means Antares Mining Limited ABN 38 119 047 693.
Consideration Securities	means the Securities to be issued to the Precast Vendors (all on a post- Consolidation basis) (being the aggregate of the WestStar Consideration Securities and the Passpa Consideration Securities) in consideration for the Precast Acquisition, being:
	(a) 80 million Shares;
	(b) 20 million Options; and
	(c) 80 million Performance Shares.
Consideration Shares	means 80 million Shares (on a post-Consolidation basis).
Consolidation	means the consolidation of every 50 Shares into 1 Share and every 50 Convertible Notes into 1 Convertible Note as contemplated by Resolution 2.
Constitution	means the Company's constitution.
Convertible Notes	means notes convertible into Shares (each with a post-Consolidation face value of \$0.04) issued by the Company on 9 September 2015 on the terms summarised in Annexure E.
Copper Range	means Copper Range (SA) Pty Limited ACN 115 759 245, the Company's 25% owned subsidiary.
Corporations Act	means the Corporations Act 2001 (Cth).
CPS Capital	means CPS Capital Group Pty Ltd ACN 088 055 636.
Directors	means the current directors of the Company.
Explanatory Statement	means the explanatory statement accompanying this Notice.
General Meeting or Meeting	means the meeting convened by this Notice.

Independent Expert	means BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045.
Independent Expert's Report	means a report prepared by the Independent Expert, a copy of which is set out in Annexure F.
Listing Rules	means the Listing Rules of ASX.
Note Conversion Shares	means Shares issued upon conversion of Convertible Notes.
Notice or Notice of Meeting	means this notice of general meeting including the Explanatory Statement and the Proxy Form.
Option	means an option to subscribe for a Share on the terms and conditions set out in Annexure C.
Passpa	means Passpa Pty Ltd ACN 605 999 380 as trustee for the PS Unit Trust, one of the Precast Vendors.
Passpa Consideration Securities	means the Consideration Securities to be issued to Passpa pursuant to Resolution 6 (all on a post-Consolidation basis), being:
	(a) 20 million Shares;
	(b) 5 million Options; and
	(c) 20 million Performance Shares.
Performance Shares	means shares issued on the terms and conditions set out in Annexure B.
Precast	means Precast Australia Pty Ltd ABN 71 602 022 837.
Precast Acquisition	means the acquisition by the Company of all the issued capital of Precast from the Precast Vendors.
Precast Vendors	means Passpa (which holds 25% of the issued capital of Precast) and WestStar (which holds 75% of the issued capital of Precast).
Prospectus	means the prospectus to be issued by the Company in relation to the Capital Raising.
Proxy Form	means the proxy form accompanying this Notice.
Relevant Interest	has the meaning given to that term in Section 608(1) of the Corporations Act.
Resolutions	means the resolutions to be considered by Shareholders at the General Meeting, as set out in this Notice of Meeting.
Sale Agreement	means the share sale and purchase agreement between the Company and the Precast Vendors relating to the purchase by the Company of the entire issued share capital of Precast.
Sanston Securities	means Sanston Securities Australia Pty. Ltd. ABN 61 156 057 064.
Securities	means Shares and/or Options and/or Performance Shares and/or Convertible Notes, as the context requires.

Share	means	means a fully paid ordinary share in the capital of the Company.			
Shareholder	means	means a registered holder of one or more Shares.			
WestStar		WestStar Pte Ltd (an entity incorporated in Singapore), one of the st Vendors.			
WestStar Consideration		the Consideration Securities to be issued to WestStar pursuant to ution 4 (all on a post-Consolidation basis), being:			
Securities	(a)	60 million Shares;			
	(b)	15 million Options; and			
	(c)	60 million Performance Shares.			
WST	means	s Australian Western Standard Time.			

# **Annexure A** Pro-forma Statement of Financial Position

The following pro-forma statement of financial position after the Capital Raising is as per the statement of financial position before the Capital Raising, adjusted for any subsequent events and the transactions relating to the issue of Shares pursuant to the Prospectus. The pro-forma statement of financial position is to be read in conjunction with the notes set out in this Annexure A on the following pages.

		AWW	Precast	1				
		Reviewed as at	Audited as at	Subsequent	Pro forma a	djustments	Pro forma a	fter offer
		31-Dec-15	31-Dec-15	events	\$3 million	\$4 million	\$3 million	\$4 million
	Notes	- 5	S	S	8	8	S	s
CURRENT ASSETS	1000000	4452				49500		SII:
Cash and cash equivalents	2	882,325	483,972		2,620,000	3,620,000	3,986,297	4,986,297
Trade and other receivables		16,857	1,235,388	1	25	29	1,252,245	1,252,245
Available for sale investment		6,000					6,000	6,000
Other assets		-	196,004		52	24	196,004	196,004
TOTAL CURRENT ASSETS	•	905,182	1,915,364	*	2,620,000	3,620,000	5,440,546	6,440,546
NON CURRENT ASSETS								
Investment in Associate		99,426					99,426	99,426
Property, plant & equipment		-	32/,816	1	25	25	327,816	327,816
Intangible assets		2	28,795	2	25	23	28,795	28,795
TOTAL NON CURRENT ASSETS		99,426	356,611		52	*	456,037	456,037
TOTAL ASSETS		1,004,608	7,771,975		7,620,000	3,620,000	5,896,583	6,896,583
CURRENT LIABILITIES								
Trade and other payables		174,825	1,423,333	2	25	2	1,598,158	1,598,158
Borrowings	3	1,029,739	1,243,142		(1,000,000)	(1,000,000)	1,272,881	1,272,881
Provisions		-	93,725	-		00000 000 000 000 000 000 000 000 000	93,725	93,725
TOTAL CURRENT LIABILITIES		1,204,564	2,760,200		(1,000,000)	(1,000,000)	2,964,764	2,964,764
NON CURRENT LIABILITIES								
Deferred tax liabilities		2		¥	¥.	20	140	
TOTAL NON CURRENT LIABILITIES		-	1	1	5	23		
TOTAL LIABILITIES		1,204,564	2,760,200	-	(1,000,000)	(1,000,000)	2,964,764	2,964,764
NET ASSETS	1	(199,956)	(488,225)	-	3,620,000	4,620,000	2,931,819	3,931,819
EQUITY		\$				300000000000000000000000000000000000000		
Contributed equity	5	22,009,591	160		(17,222,652)	(16,222,652)	4,787,099	5,787,099
Reserves	6	1,760,319	30.00	2	(1,760,319)	(1,760,319)	350000000000000000000000000000000000000	27 March 17 and 2
Accumulated losses	7	(23,969,866)	(488,385)		22,602,971	22,602,971	(1,855,280)	(1,855,280)
TOTAL EQUITY		(199,956)	(488,225)	-	3,620,000	4,620,000	2,931,819	3,931,819

# Notes to and forming part of the pro forma statement of financial position

Note 1. Cash and Cash Equivalents	Reviewed 31-Dec-15 \$	Pro forma after Offer \$
Cash and cash equivalents	882,325	3,986,297
Reviewed balance of Antares at 31 December 2015		882,325
Audited balance of Precast at 31 December 2015		483,972
Pro-forma adjustments:		
Proceeds from Shares issued under the Capital Raising		3,000,000
Capital Raising costs		(380,000)
Cash payment to acquire BARD1AG		
Repayment of convertible note		
		2,620,000
Pro-forma Balance		3,986,297

Note 2. Borrowings	Reviewed 31-Dec-15 \$	Pro forma after Offer \$
Other assets	1,029,739	1,272,881
Reviewed balance of Antares at 31 December 2015		1,029,739
Audited balance of Precast at 31 December 2015		1,243,142
Pro-forma adjustments:		
Conversion of Antares Convertible Note		(1,000,000)
		(1,000,000)
Pro-forma Balance		1,272,881

Note 3. Contributed Equity	Reviewed 31-Dec-15 \$	Pro forma \$
Contributed equity	22,009,591	6,481,475
Fully paid ordinary share capital of Antares post Consolidation	Number of shares	<b>\$</b> 22,009,591
Fully paid ordinary share capital of Precast	-	160
Pro-forma adjustments:  Proceeds from Shares issued under the Capital Raising	60,000,000	3,000,000
Capital Raising costs	-	(380,000)
Shares issued to acquire Precast	80,000,000	1,166,939
Shares issued to CPS Capital	4,000,000	-
Shares issued on conversion of Convertible Note	25,000,000	1,000,000
Elimination of Antares share capital	-	(22,009,591)
	169,000,000	(17,222,652)
Pro-forma Balance	192,338,773	4,787,099

Note 4. Reserves	Reviewed 31-Dec-15 \$	Pro forma after Offer \$
Reserves	1,760,319	-
Reviewed balance of Antares at 31 December 2015 Audited balance of Precast at 31 December 2015		1,760,319
Pro-forma adjustments:  Elimination of Eurogold reserves on Acquisition		(1,760,319)
Pro-forma Balance		(1,760,319)
1 10-101111a Dalatice		

Note 5. Accumulated Losses	Reviewed 31-Dec-15 \$	Pro forma after Offer \$
Accumulated losses	(23,969,866)	(1,855,280)
Reviewed balance of Antares at 31 December 2015		(23,969,866)
Audited balance of Precast at 31 December 2015		(488,385)
Pro-forma adjustments:		
Elimination of Antares accumulated losses on Acquisition		23,969,866
Amount recognised as share based payment on Acquisition		(1,366,895)
		22,602,971
Pro-forma Balance		(1,855,280)

# **Annexure B Terms of Performance Shares**

The following terms and conditions remain subject to ASX approval in accordance with Listing Rule 6.1.

#### Part 1: Terms

#### (a) Performance Shares

Each Performance Share is a share in the capital of the Company.

# (b) General meetings

The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of the Company.

# (c) No voting rights

The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

# (d) No dividend rights

The Performance Shares do not entitle the Holder to any dividends.

#### (e) No rights on winding up

Upon a winding up of the Company, the Performance Shares may not participate in the surplus profits or assets of the Company.

#### (f) Transfer of Performance Shares

A Performance Share is not transferable.

## (g) Reorganisation of capital

If the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.

#### (h) Application to ASX

The Performance Shares will not be quoted on ASX. Upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.

# (i) Participation in entitlements and bonus issues

Subject always to the rights under item (g), holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

## (j) Amendments required by ASX

The terms of the Performance Shares may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminate.

## (k) No other rights

The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### Part 2: Conversion of the Performance Shares

#### (a) Milestone

The Performance Shares will convert into Shares upon satisfaction of the following milestones (each, a **Milestone**):

- FY16 Tranche): if Precast achieves earnings before interest, tax, depreciation and amortisation (EBITDA) of at least \$500,000 but less than \$1 million during the financial year ending 30 June 2016, a total of 13.6 million Performance Shares will convert into Shares:
- (FY17 Tranche): if Precast achieves EBITDA of at least:
  - (i) \$1 million during the period 1 July 2016 to 30 June 2017; or
  - (ii) \$1.5 million during the period 1 July 2015 to 30 June 2017,

a total of 26.4 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche) will convert into Shares;

- (FY18 Tranche): if Precast achieves EBITDA of at least:
  - (i) \$1.5 million during the period 1 July 2017 to 30 June 2018; or
  - (ii) \$3 million during the period 1 July 2015 to 30 June 2018,

a total of 40 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche and the FY17 Tranche) will convert into Shares; and

- (Bonus tranche): if Precast achieves EBITDA during the period 1 July 2015 to 30 June 2018:
  - of greater than \$3 million in aggregate, a total of 80 million Performance Shares (less the sum of any Shares which have already been converted into Shares during the period 1 July 2015 to 30 July 2018) will convert into Shares; and
  - (ii) of between \$500,000 and \$3 million, the number of Performance Shares determined in accordance with the following formula will convert into Shares:

$$A = ((B/C) \times D) - E$$

#### Where:

- A = The number of Performance Shares to convert into Shares
- B = EBITDA achieved in aggregate for period 1 July 2015 to 30 June 2018
- C = \$3,000,000
- D = 80,000,000
- E = Total number of Performance Shares already issued under the FY16 Tranche, the FY17 Tranche and the FY18 Tranche respectively.

Shareholders should refer to the worked valuation examples in Annexure D.

#### (b) Conversion of Performance Shares

If a Milestone is satisfied, the number of Performance Shares held by the Holder as determined in accordance with paragraph (a) above will convert into an equal number of Shares.

#### (c) No conversion if Milestone not achieved

Any Performance Share not converted into a Share by 29 December 2017 will lapse.

#### (d) After conversion

The Shares issued on conversion of the Performance Shares will, as and from 5:00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

#### (e) Conversion procedure

The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.

# (f) Ranking of Shares

The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

# **Annexure C Terms of Options**

The terms of the Options to be issued to the Precast Vendors (or their nominee(s)) and Sanston Securities as contemplated in Resolutions 4 and 7 respectively are as follows:

#### (a) Entitlement

Subject to paragraph (m), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

#### (b) Exercise Price and Expiry Date

Subject to paragraphs (j) and (l), the amount payable upon exercise of each Option will be \$0.10 (Exercise Price).

## (c) Expiry Date

Each Option will expire at 5:00pm (WST) on the date falling 3 years after their issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

#### (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

#### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

# (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

## (g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must:

- no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act; and
- (i) do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

#### (h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

#### (i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

#### (j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

# (k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

#### (I) Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in Listing Rule 6.22.2.

## (m) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if

the Optionholder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

# (n) Unquoted

The Company will not apply for quotation of the Options on ASX.

# (o) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

# Annexure D Valuation of Related Party Securities

# **Options**

Using the Black & Scholes option model and based on the assumptions set out below, the 20 million Options proposed to be issued to the Precast Vendors (or their nominee(s)) and the 5 million Options proposed to be issued to Sanston Securities as contemplated in Resolutions 4, 6 and 9 have been ascribed the following value:

Assumptions:	
Valuation date	9 March 2016
Market price of Shares	\$0.05 (assumed post-Consolidation based on the issue price of Shares under the Capital Raising)
Exercise price	\$0.10
Expiry date (length of time from issue)	3 years
Risk free interest rate	1.97%
Volatility (discount)	50%
Indicative value per Option	\$0.008
Total value of Options	\$200,000

**Note:** The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

#### **Performance Shares**

The 80 million Performances Shares proposed to be issued to the Precast Vendors (or their nominee(s)) pursuant to Resolutions 4 and 6 will convert into Shares upon satisfaction of the following milestones (each, a **Milestone**):

- (FY16 Tranche): if Precast achieves earnings before interest, tax, depreciation and amortisation (EBITDA) of at least \$500,000 but less than \$1 million during the financial year ending 30 June 2016, a total of 13.6 million Performance Shares will convert into Shares;
- (FY17 Tranche): if Precast achieves EBITDA of at least:
  - (a) \$1 million during the period 1 July 2016 to 30 June 2017; or
  - (b) \$1.5 million during the period 1 July 2015 to 30 June 2017,

a total of 26.4 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche) will convert into Shares;

• (FY18 Tranche): if Precast achieves EBITDA of at least:

- (a) \$1.5 million during the period 1 July 2017 to 30 June 2018; or
- (b) \$3 million during the period 1 July 2015 to 30 June 2018,

a total of 40 million Performance Shares (less the sum of any Shares which have already been converted into Shares under the FY16 Tranche and the FY17 Tranche) will convert into Shares; and

- (Bonus tranche): if Precast achieves EBITDA during the period 1 July 2015 to 30 June 2018:
  - (a) of greater than \$3 million in aggregate, a total of 80 million Performance Shares (less the sum of any Shares which have already been converted into Shares during the period 1 July 2015 to 30 July 2018) will convert into Shares; and
  - (b) of between \$500,000 and \$3 million, the number of Performance Shares determined in accordance with the following formula will convert into Shares:

$$A = ((B/C) \times D) - E$$

#### Where:

A = The number of Performance Shares to convert into Shares

B = EBITDA achieved in aggregate for period 1 July 2015 to 30 June 2018

C = \$3,000,000

D = 80,000,000

E = Total number of Performance Shares already issued under the FY16 Tranche, the FY17 Tranche and the FY18 Tranche respectively.

The Directors have been unable to ascribe a value to the Performance Shares due to material uncertainty as to whether the Milestones will be achieved.

The Independent Expert has not included the impact of the Performance Shares in the valuation of the Precast Acquisition in Section 11 of the Independent Expert's Report as Precast has a limited trading history and the probability of meeting the milestones outlined above cannot be ascertained with a reasonable degree of certainty. The Independent Expert has therefore not ascribed a value to the Performance Shares. Shareholders are strongly urged to consider the Independent Expert's Report (included in Annexure F of this Notice) in detail.

Notwithstanding the above, for the benefit of Shareholders in determining whether to approve the proposed issue of Performance Shares, the following table demonstrates the **potential** value of the Performance Shares assuming 4 different probabilities of the Milestones being met (0%, 33.33%, 66.67% and 100% respectively):

Probability	No. of Performance Shares to convert	Spot price	Total value of Performance Shares
0%	0	\$0.05	\$0
33.33%	26,664,000	\$0.05	\$1,333,200
66.67%	53,336,000	\$0.05	\$2,666,800
100%	80,000,000	\$0.05	\$4,000,000

# **Annexure E Material terms of Convertible Notes**

- (a) **Face value:** Each Note has a face value of \$0.0008 on a pre-Consolidation basis or \$0.04 on a post-Consolidation basis.
- (b) **Unsecured**: The Notes are **unsecured**.
- (c) **Interest:** Interest is payable on the face value of each Note at the rate of 8% per annum (accruing daily) on and from the Issue **Date** until the earlier of:
  - (i) the day before the Note is converted into a Share;
  - (ii) the day before the Note is redeemed; or
  - (iii) 9 September 2016 (Maturity Date).

Interest is simple interest (calculated on the amount of the face value and not including accrued and unpaid interest that has not been capitalised) and is payable in arrears.

- (d) **Maturity Date:** The Notes **must** be redeemed or converted by no later than the Maturity Date.
- (e) **Condition to conversion:** Conversion of **the** Notes is subject to Shareholders approving the issue of Shares upon conversion of the Notes pursuant to Resolution 5.
- (f) **Conversion:** The Investor may elect to convert the Notes (or some of them) at any time before they have been cancelled or redeemed. If the Company applies to ASX for its securities to be reinstated to quotation on ASX (as will occur **within** 7 days of lodgement of the prospectus for the Capital Raising contemplated by Resolution 7) then any outstanding Notes will automatically convert into Shares upon ASX providing the Company with conditional approval for the reinstatement of its securities to quotation on ASX.
- (g) Issue of Shares upon conversion: The Company will issue one Share for each Note converted. The deemed issue price of each Share issued upon conversion will be equal to the face value of each Note. If on conversion of the Notes the aggregate number of Shares to which the Investor is entitled includes a fraction of a Share, that fraction will be rounded down to the nearest whole number.
- (h) Repayment and redemption: To the extent the Notes have not been (or are unable to be) converted into Shares or cancelled, the Company must redeem the outstanding amount under those Notes on the earlier of the Maturity Date and the date the Investor gives a redemption notice to the Company upon the occurrence of an event of default.
- (i) Event of default: If an event of default occurs before all the Notes have been converted or cancelled, the Investor may at any time give the Company written notice requiring the Notes to be redeemed. The events of default include (without limitation) where:
  - (i) the Company fails to obtain any ASX or regulatory approval as may be required to permit the conversion of the Notes in accordance with their terms;
  - (ii) the Company ceases to be listed on ASX; and
  - (iii) Shareholders do not approve the issue of Shares upon conversion of the Notes.

- (j) **No other rights:** The Notes do not confer any rights on the Investor to become a Shareholder (other than by converting a Note into Shares), to vote at any Shareholder meeting or to subscribe for or participate in any new **issues** of securities by the Company (other than the issue of Shares upon conversion of the Notes).
- (k) **No quotation:** The Notes are unquoted.
- (I) **Transfer:** The Notes may not be transferred without the Company's consent except in limited circumstances relating to takeover bids made in respect of the Company.

# Annexure F Independent Expert's Report

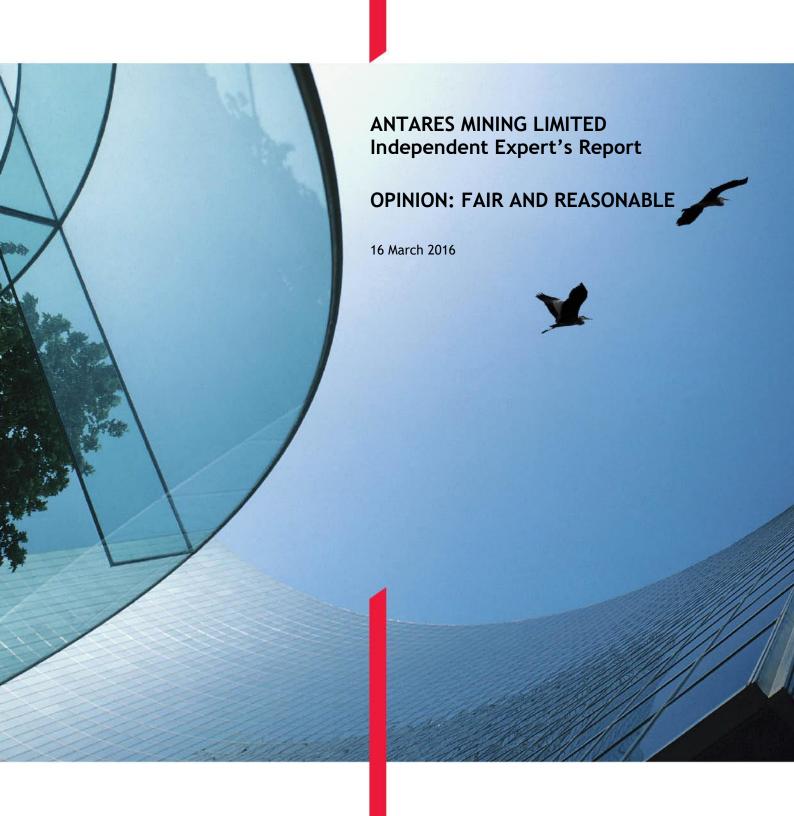
The Independent Expert, BDO Corporate Finance (WA) Pty Ltd, has provided an opinion on the fairness and reasonableness of:

- (a) the issue of the WestStar Consideration Securities to WestStar in connection with the Precast Acquisition (Resolution 4); and
- (b) the issue of Shares to Lay Ann Ong upon conversion of Convertible Notes (Resolution and 5),

to the non-associated Shareholders (Proposals).

After taking into account the factors noted in the Independent Expert's Report, the Independent Expert has concluded that the Proposals the subject of Resolutions 4 and 5 outlined in this Notice of Meeting are **fair and reasonable** to those Shareholders not associated with Precast as at the date of the Independent Expert's Report.

Shareholders should carefully read the Independent Expert's Report as it provides information which the Directors believe to be material to Shareholders in deciding whether or not to pass Resolutions 4 and 5.







#### Financial Services Guide

#### 16 March 2016

**BDO Corporate Finance (WA) Pty Ltd** ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Antares Mining Limited ('Antares') to provide an independent expert's report on the proposal to acquire Precast Australia Pty Ltd. You will be provided with a copy of our report as a retail client because you are a shareholder of Antares.

#### 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. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

#### Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

#### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

## General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take 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.



# Financial Services Guide

Page 2

#### Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$16,000.

Except for the fees referred to above, neither BDO, 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.

#### 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. We have received a fee from Antares for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

#### 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.

#### Complaints resolution

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, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint 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.

#### 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 ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website <a href="www.fos.org.au">www.fos.org.au</a> or by contacting them directly via the details set out below.

Financial Ombudsman Service GPO Box 3 Melbourne VIC 3001 Toll free: 1300 78 08 08

Facsimile: (03) 9613 6399

Email: info@fos.org.au

#### Contact details

You may contact us using the details set out on page 1 of the accompanying report.



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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38 Station Street Subiaco, WA 6008 PO Box 700 West Perth WA 6872 Australia

16 March 2016

The Directors **Antares Mining Limited** Unit B9 431 Roberts Road **SUBIACO WA 6008** 

**Dear Directors** 

# INDEPENDENT EXPERT'S REPORT

# Introduction

On 29 December 2015, Antares Mining Limited ('Antares' or 'the Company') entered into a sale agreement with the vendors of Precast Australia Pty Ltd ('Precast'), WestStar Resources Pte Ltd ('WestStar') and Passpa Pty Ltd ('Passpa')(collectively 'the Vendors'), to acquire of all the issued share capital of Precast ('the Transaction').

The Transaction provides for the issue of the following securities in Antares as consideration on a post consolidated basis (collectively 'the Consideration Shares'):

- 80 million Shares;
- 20 million Options; and
- 80 million Performance Shares.

Antares will also undertake a capital raising through the issue of up to 80 million shares at \$0.05 per share, with a minimum subscription of \$3 million ('Capital Raising').

Five million options will be issued to Sanston Securities Australia ('Sanston') in connection with its appointment as Lead manager to the Capital Raising and four million Shares at \$0.05 per share will be issued to CPS Capital ('CPS') in connection with its appointment as Lead Manager, Broker and Corporate Advisor to the Company.

In addition, Antares will issue 25 million shares at \$0.04 per share upon conversion of convertible notes held by Mr Lay Ann Ong with a face value of \$1 million ('Convertible Notes'). Currently Mr Lay Ann Ong holds 1.25 billion convertible notes (pre-consolidation). The shares may be issued to Mr Lay Ann Ong or his nominee.

For the purposes of our Report we collectively refer to, WestStar and My Lay Ann Ong as 'Associates', as WestStar is an entity controlled by Mr Lay Ann Ong and a directors of Antares.



Antares is seeking shareholder approval for the consolidation of the Company's share capital (including the Convertible Notes issued to Mr Lay Ann Ong) on a 1 for 50 basis ('Capital Consolidation'). All references in our Report are on a post Capital Consolidation basis unless otherwise stated.

Our Report is required under the requirements of Australian Securities Exchange ('ASX') Listing Rule 10.1 and section 611 of the Corporations Act 2001 (Cth) ('the Act') for the following reasons.

- Section 611 of the Act as a result of WestStar and Mr Lay Ann Ong increasing their voting power in Antares through the issue of the Consideration Shares, in excess of 20 per cent and below 90 per cent, by more than 3 per cent and in a manner which would otherwise be in a breach of section 606 of the Corporations Act 2001 (Cth) ('the Act').
- Listing Rule 10.1 as a result of the Company acquiring a substantial asset from a related party, whereby WestStar is a related party of the Company by virtue of being an entity controlled by Mr Lay Ann Ong, a Director of Antares.

Further details on the Transaction including the vesting conditions of the options and performance shares are outlined in section 4.

# 2. Summary and Opinion

# 2.1 Purpose of the report

The directors of Antares have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the issue of shares, options and performance shares for the acquisition of Precast is fair and reasonable to the non-associated shareholders of Antares ('Shareholders').

Our Report is prepared pursuant to the requirements of ASX Listing Rule 10.1 and section 611 of the Act and is to be included in the Notice of Meeting for Antares in order to assist the Shareholders in their decision whether to approve the Transaction.

# 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- how the value of an Antares share prior to the Transaction compares to the value of an Antares share following the Transaction;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- the position of Shareholders should the Transaction not proceed.

Under RG111.31 we are required to assess the value of an Antares share prior to the Transaction on a controlling basis and the value of an Antares share following the Transaction on a minority basis.



# 2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Antares.

In our opinion, the Transaction is fair because the value of an Antares share prior to the Transaction on a controlling basis is lower than the value of an Antares share following the Transaction on a minority basis. Additionally, we consider the Transaction to be reasonable because the advantages of the Transaction to the non-associated shareholders are greater than the disadvantages.

# 2.4 Fairness

In Section 10.1 and 11 we determined how the value of an Antares share prior to the Transaction on a controlling basis compares to the value of an Antares share following the Transaction on a minority basis, as detailed below:

	Ref	Low Ref		High
		\$	\$	\$
Value of an Antares share prior to the Transaction on a controlling basis	10.1	Nil	Nil	Nil
Value of an Antares share following the Transaction on a minority basis	11	\$0.012	\$0.012	\$0.015

Source: BDO analysis

The above pricing indicates that, in the absence of any other relevant information the Transaction is fair for Shareholders.

#### 2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the advantages to shareholders outweigh the disadvantages. Accordingly, in the absence of any other relevant information we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES							
Section	Advantages	Section	Disadvantages				
13.1	The Transaction is fair	13.2	Dilution of existing Shareholders' interests				
13.1	The Transaction may increase the Company's ability to generate returns for its shareholders	13.2	Risks associated with the change in nature and scale of the business				



ADVANTAC	GES AND DISADVANTAGES		
Section	Advantages	Section	Disadvantages
13.1	Acquiring a business that has experienced substantial growth	13.2	Decreases the likelihood of a takeover offer
13.1	The Transaction will put the Company under less cash flow strain and provide a cash injection		
13.1	The inclusion of Performance Shares aligns the Vendors objectives with the Company		
13.1	The liquidity of Antares' shares may increase		
13.1	Ability to raise additional funds may improve		

# Other key matters we have considered include:

Section	Description
13.3.1	Alternative proposals
13.3.2	Practical level of control
13.3.3	Consequences of not approving the Transaction



# 3. Scope of the Report

# 3.1 Purpose of the Report

#### **ASX Listing Rule 10.1**

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the last audited accounts. The value of the acquisition of Precast Australia Pty Ltd is determined with reference to the number of Consideration Shares to be issued, which exceeds 5% and therefore constitutes a substantial asset for the purposes of Listing Rule 10.1.

Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party of the listed entity. WestStar is a related party of the Company by virtue of being an entity controlled by Mr Lay Ann Ong, a Director of Antares.

Listing Rule 10.10.2 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded in respect of the transaction non-associated shareholders.

Accordingly, an independent experts' report is required for the Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Antares.

#### Section 611 of the Act

Section 606 of the Corporations Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

If Shareholders approve the Transaction, the Associates could increase their collective holding to 44.19% prior to the exercise of any Options and/or Performance Shares and 53.81% if all Options and Performance Shares are exercised.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Antares, by either:

- undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of Antares have commissioned this Independent Expert's Report to satisfy this obligation.



# 3.2 Regulatory guidance

Neither the ASX Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

# 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a Antares share prior to the Transaction on a control basis and the
  value of a Antares share following the Transaction on a minority basis (fairness see Section 12 'Is the
  Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Transaction, after reference to the value derived above (reasonableness - see Section 13 'Is the Transaction Reasonable?').

Under RG111.31 we are required to assess the value of an Antares share prior to the Transaction on a controlling basis and the value of an Antares share following the Transaction on a minority basis.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.



# 4. Outline of the Transaction

#### 4.1 The Transaction

On 29 December 2015, Antares announced that it had entered into a Sale Agreement with the Vendors to acquire all of the issued capital in Precast. As consideration, Antares will issue 80 million shares, 20 million options and 80 million performance shares to WestStar and Passpa.

In addition to the above Antares will issue:

- Four million shares to CPS;
- Five million options to Sanston;
- 25 million shares at \$0.04 per share on conversion of the Convertibles Notes held by Mr Lay Ann Ong;
   and
- Up to 80 million shares at \$0.05 per share, with a minimum subscription of 60 million shares, to raise up to \$4 million.

#### Convertible Notes

Mr Lay Ann Ong holds 1.25 billion convertible notes (pre-consolidation) with a face value of \$1 million. As part of the Transaction, Antares will issue 25 million shares at \$0.04 per share in satisfaction of the outstanding amount. The convertible notes accrue interest at 8% per annum which will also be satisfied through the issue of shares. We have only considered the issue of shares as consideration for the convertible notes as the date of conversion and total interest payable will be confirmed once the Company has been reinstated to the ASX.

#### **Options**

A total of 25 million options will be issued by Antares. 15 million options will be issued to WestStar, 5 million to Passpa and 5 million to Sanston, all exercisable at \$0.10 and expiring three years from the date of issue.

### **Performance Shares**

A total of 80 million performance shares will be issued by Antares. 60 million performance shares will be issued to WestStar and 20 million to Passpa. The performance shares will be issued over four tranches as set out below:

- **FY16 Tranche**: 13.6 million will vest if Precast achieves EBITDA of at least \$500,000 and less than \$1 million for the year ending 30 June 2016;
- FY17 Tranche: 26.4 million (less the sum of performance shares converted in FY16 Tranche) will vest if Precast achieves EBITDA of \$1 million for the year ending 30 June 2017 or \$1.5 million during the two years ending 30 June 2017;
- FY18 Tranche: 40 million (less the sum of performance shares converted in FY16 Tranche and FY17 Tranche) will vest if Precast achieves EBITDA of \$1.5 million for the year ending 30 June 2018 or \$3 million for the three years ending 30 June 2018; and
- Bonus Tranche: Up to 80 million performance shares (less the sum of any performance shares which have already been converted) will vest if Precast achieves EBITDA in excess of \$3 million.



# 4.2 Shareholding of Antares following the Transaction

The following tables show the maximum number of shares to be issued if the Transaction is approved on a diluted and undiluted basis.

WestStar is an entity controlled by Mr Lay Ann Ong, and both WestStar and Mr Lay Ann Ong are collectively referred to as an Associate Vendor in the tables below.

Sanston is an entity controlled by Mr Frank Licciardello, a director of Antares, and is referred to as a related party in the tables below.

If the Transaction is approved, the Associates' interest in Precast will be in the range of 40.03% to 53.81%.

Shareholding following the Transaction (undiluted assuming a minimum capital raising of \$3 million)	Existing shareholders	Associate Vendors	Other Vendors	Related Parties	Other shareholders	Total
Issued shares as at the date of our Report	1,166,938,638	-	-	-		1,166,938,638
Post consolidation 50:1	23,338,773	-	-	-	-	23,338,773
% holdings at the date of our Report	100%	0%	0%	0%	0%	100%
Consideration Shares to be issued to the Vendors Shares to be issued on conversion of the Convertible Notes		60,000,000	20,000,000	-	-	80,000,000
	-	25,000,000	-	-	-	25,000,000
Shares to be issued on capital raising	-	-	-	-	60,000,000	60,000,000
Shares to be issued to CPS		-	-	-	4,000,000	4,000,000
Total number of shares following the Transaction	23,338,773	85,000,000	20,000,000	-	64,000,000	192,338,773
% holdings after completion of the Transaction (undiluted)	12.13%	44.19%	10.40%	0.00%	33.27%	100.00%

Shareholding following the Transaction (undiluted assuming a maximum capital raising of \$4 million)	Existing shareholders	Associate Vendors	Other Vendors	Related Parties	Other shareholders	Total
Issued shares as at the date of our Report	1,166,938,638	-	-	-	-	1,166,938,638
Post consolidation 50:1	23,338,773	-	-	-	-	23,338,773
% holdings at the date of our Report	100%	0%	0%	0%	0%	100%
Consideration Shares to be issued to the Vendors	-	60,000,000	20,000,000	-	-	80,000,000
Shares to be issued on conversion of the Convertible Notes	-	25,000,000	-	-	-	25,000,000
Shares to be issued on capital raising	-	-	-	-	80,000,000	80,000,000
Shares to be issued to CPS		-	-	-	4,000,000	4,000,000
Total number of shares following the Transaction	23,338,773	85,000,000	20,000,000	-	84,000,000	212,338,773
% holdings after completion of the Transaction (undiluted)	10.99%	40.03%	9.42%	0.00%	39.56%	100.00%



We have also considered the shareholding on a diluted basis assuming all Performance Shares and Options vest and are exercised as shown below.

Shareholding following the Transaction (diluted assuming a minimum capital raising of \$3 million)	Existing shareholders	Associate Vendors	Other Vendors	Related Parties	Other shareholders	Total
Issued shares as at the date of our Report	1,166,938,638	-	-	-	-	1,166,938,638
Post consolidation 50:1	23,338,773	-	-	-	-	23,338,773
% holdings at the date of our Report	100%	0%	0%	0%	0%	100%
Consideration Shares to be issued to the Vendors Shares to be issued on conversion of the	-	60,000,000	20,000,000	-	-	80,000,000
Convertible Notes	-	25,000,000	-	-	-	25,000,000
Shares to be issued on capital raising	-	-	-	-	60,000,000	60,000,000
Shares to be issued to CPS	-	-	-	-	4,000,000	4,000,000
Shares to be issued on conversion of Options	-	15,000,000	5,000,000	5,000,000	-	25,000,000
Shares to be issued on conversion of Performance Shares	<u>-</u>	60,000,000	20,000,000	-	-	80,000,000
Total number of shares following the Transaction	23,338,773	160,000,000	45,000,000	5,000,000	64,000,000	297,338,773
% holdings after completion of the Transaction (diluted)	7.85%	53.81%	15.13%	1.68%	21.52%	100.00%

Shareholding following the Transaction (diluted assuming a maximum capital raising of \$4 million)	Existing shareholders	Associate Vendors	Other Vendors	Related Parties	Other shareholders	Total
Issued shares as at the date of our Report	1,166,938,638	-	-	-	-	1,166,938,638
Post consolidation 50:1	23,338,773	-	-	-	-	23,338,773
% holdings at the date of our Report	100%	0%	0%	0%	0%	100%
Consideration Shares to be issued to the Vendors Shares to be issued on conversion of the	-	60,000,000	20,000,000	-	-	80,000,000
Convertible Notes	-	25,000,000	-	-	-	25,000,000
Shares to be issued on capital raising	-	-	-	-	80,000,000	80,000,000
Shares to be issued to CPS	-	-	-	-	4,000,000	4,000,000
Shares to be issued on conversion of Options Shares to be issued on conversion of	-	15,000,000	5,000,000	5,000,000	-	25,000,000
Performance Shares	-	60,000,000	20,000,000	-	-	80,000,000
Total number of shares following the						
Transaction	23,338,773	160,000,000	45,000,000	5,000,000	84,000,000	317,338,773
% holdings after completion of the Transaction (diluted)	7.35%	50.42%	14.18%	1.58%	26.47%	100.00%



# 5. Profile of Antares

# 5.1 History

Antares was established on 30 March 2006 and officially listed on the ASX on 7 June 2006. The Company was initially called Copper Range Limited and was primarily focused on copper-uranium-gold targets in South Australia.

Antares moved away from its South Australian copper-uranium-gold assets in September 2012 to focus on oil and gas exploration in East Africa. The Company also changed its name to Caravel Energy Limited to reflect this change of direction in October 2012. In 2014, the Company divested away from the oil and gas projects to focus back on its South Australian copper assets and on 24 September 2014 the Company changed its name to Antares Mining Limited.

The Company sold 75% of the issued capital of its wholly owned subsidiary, Copper Range (SA) Pty Ltd ('Cooper Range') to Forte Energy NL in March 2015. Antares' only material asset at 30 June 2015 was its remaining 25% investment in Copper Range.

The current Board of Directors and senior management of Antares include:

- Mr Francesco (Frank) Licciardello; Non-Executive Director,
- Mr Lay Ann Ong; Non-Executive Director,
- Mr David Colin Wheeler; Non-Executive Director; and
- Mr Peter Patrick Torre; Company Secretary.

Antares' shares have been suspended from trading on the ASX since 19 April 2013.



# 5.2 Historical Balance Sheet

Statement of Financial Position	Audited as at	Audited as at	Audited as at
	31-Dec-15	30-Jun-15	30-Jun-14
CURRENT ASSETS	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	Ş
Cash and cash equivalents	882,325	3,884	16,791
Other receivables	16,857	2,867	5,798
Available for sale investment	6,000	6,000	
Non-current assets held for sale	-	-	3,001,541
TOTAL CURRENT ASSETS	905,182	12,751	3,024,130
NON-CURRENT ASSETS			
Investment in an associate	99,426	99,917	-
TOTAL NON-CURRENT ASSETS	99,426	99,917	-
TOTAL ASSETS	1,004,608	112,668	3,024,130
CURRENT LIABILITIES			
Trade and other payables	174,825	122,042	2,788,645
Borrowings	1,029,739	-	1,500,000
TOTAL CURRENT LIABILITIES	1,204,564	122,042	4,288,645
TOTAL LIABILITIES	1,204,564	122,042	4,288,645
NET ASSETS	(199,956)	(9,374)	(1,264,515)
EQUITY			
Issued capital	22,009,591	21,905,250	20,994,255
Reserves	1,760,319	1,760,319	2,395,581
Accumulated losses	(23,969,866)	(23,674,943)	(24,654,351)
TOTAL EQUITY	(199,956)	(9,374)	(1,264,515)

Source: Antares audited financial statements for the years ended 30 June 2014 and 2015 and the half year ended 31 December 2015.

We note that Antares' auditor for the year ended 30 June 2015 and half year ended 31 December 2015 expressed an emphasis of matter regarding Antares' ability to continue as a going concern.

The Company's annual report for 30 June 2015 was prepared on a going concern basis after taking into consideration the following:

- the Company has obtained a \$100,000 convertible note facility from CPS Capital and its nominee. The CPS Capital convertible note is repayable on 31 October 2015; and
- On 9 September 2015, the Company had entered into a convertible note agreement with Mr Lay Ann Ong or nominees to provide Antares with funding to allow the Company to review and evaluate potential acquisitions. 1.25 billion Convertible Notes were issued to Mr Lay Ann Ong with a face value of \$1 million and is repayable on 9 September 2016.

As such, the ability for the Company to continue as a going concern, and thereby be able to pay its debts as and when they fall due, is dependent on Antares securing further working capital sourced from either a capital raising or some other source to repay the convertible notes if the holders elect not to convert their notes into shares.

We note the following in relation to Antares statement of financial position:

 Cash and cash equivalents increased to \$882,325 as at 31 December 2015 following the receipt of funds in relation to the Convertible Note Agreement entered into with Mr Lay Ann Ong on 9 September 2015.



- Non-current assets held for sale as at 30 June 2014 relates to the investment in Petromad (Mauritius) Limited which is the licence holder of the concession block in Southern Madagascar. The Company announced that this asset was going to be sold to Crestal Petroleum Limited ('CRX') (formally Tallus Resources Limited) on 11 June 2014 so the asset was moved to current assets held for sale at 30 June 2014. The carrying value of the asset was also revalued as at 30 June 2014 using the equity method of accounting. The investment in associate was impaired by \$4.2 million as at 30 June 2014 with the difference arising from an increase in foreign currency translations during the period.
- CRX issued 79 million CRX shares (of which 54 million were issued to Antares shareholders and 25 million to other lenders) on 8 October 2014. A further 6 million CRX shares were issued to Antares following the in-specie distribution of the 54 million CRX shares to shareholders on 30 October 2014. The assets available for sale investment at 30 June 2015 was \$6,000 and relates to the 6 million CRX shares issued to Antares on 30 October 2014.
- The investment in an associate of \$99,917 as at 30 June 2015 relates to the 25% investment in Copper Range. On 26 March 2015, Antares announced that it had executed a share sale agreement with Forte Energy NL to sell 75% of the issued capital of its previously wholly owned subsidiary Copper Range. Copper Range held nine tenements in the prospective Olympic Dam district of South Australia. Under the terms of the agreement, Forte Energy NL paid a consideration of \$300,000 for 75% of Copper Range. Antares utilised the \$300,000 for working capital purposes in the 12 months to 30 June 2015.
- Borrowings of \$1.5 million as at 30 June 2014 relate to unsecured loan agreements with Parimont Global Limited and Celtic Capital Pty Ltd. The interest payable on these loans will be by way of fully paid ordinary shares in the Company. As at 30 June 2015 the interest payable was \$1.7 million, and the loan and interest was settled by CRX issuing shares directly to Parimont Global Limited and Celtic Capital Pty Ltd as part of the Petromad (Mauritius) Limited sale above.
- Borrowings of \$1.02 million as at 31 December 2015 relates to the convertible note agreement with Mr Lay Ann Ong. The note has a face value of \$1 million, with a conversion price of \$0.0008 and interest payable at 8% per annum.
- \$1.7 million of trade and other payables as at 30 June 2014 relates to the accumulated interest on the \$1.5 million loans from Parimont Global Limited and Celtic Capital Pty Ltd above.
- Antares issued 91,099,530 shares at a share price of \$0.01 during the 12 months to 30 June 2015. This was a share based payment to settle \$910,995 of liabilities.



# 5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

	Audited for the	Audited for the	Audited for the	Audited for the
Statement of Comprehensive Income	half year ended	year ended	year ended	year ended
	31-Dec-15	30-Jun-15	30-Jun-14	30-Jun-13
	\$	Ş.	\$	\$
Revenue				
Interest income	3,318	145	1,367	20,955
Other income	23	431,395	-	1,000
Gain on debt defeasance	-	3,224,444	-	-
Expenses				
Accrued interest	-	-	(1,584,718)	(139,726)
Acquisition costs	(53,637)	-	-	-
Exploration expenditure	-	(6,972)	(22,571)	(96,814)
Finance costs	(27,421)	-	-	-
Foreign exchange gain/(losses)	-	(12)	(1,925)	14,356
Impairment of available for sale investments	-	(174,000)	-	-
Impairment of investment in associate	-	-	(4,218,622)	-
Listing and share registry expenses	(39,322)	(51,767)	(49,233)	(46,496)
Loss on sale of investment	-	(569,510)	-	-
Other expenses	(42,418)	(94,492)	(128,073)	(162,485)
Professional and consulting fees	(129,520)	(39,740)	(677,000)	(673,678)
Serviced office and outgoings	(5,455)	(120,000)	(120,000)	(120,000)
Share based payments	-	· · · · · · · · · · · · · · · · · · ·	-	(38,208)
Share of losses of associates	-	(83)	(70,245)	(1,459,247)
Profit/(loss) before income tax	(294,432)	2,599,408	(6,871,020)	(2,700,343)
Income tax expense	-	-	-	-
Profit/(loss) after income tax	(294,432)	2,599,408	(6,871,020)	(2,700,343)
Reclassification of foreign currency translation	-	(635,262)	140,036	498,518
Foreign currency translation	-	-	-	826
Total comprehensive income/(loss) for the year	(294,432)	1,964,146	(6,730,984)	(2,200,999)

**Source:** Antares audited financial statements for the years ended 30 June 2013, 2014 and 2015 and half year ended 31 December 2015.

We note the following in relation to Antares' statement of comprehensive income:

- Other income of \$431,395 at 30 June 2015 relates primarily to the 75% sale of the Company's wholly owned subsidiary Copper Range. \$32,212 of the other income balance was reimbursements of expenses.
- The gain on debt defeasance of \$3.2 million at 30 June 2015 relates to the settlement of the \$1.5 million loan and \$1.7m in accumulated interest from Parimont Global Limited and Celtic Capital Pty Ltd by way of 25 million CRX shares.
- Accrued interest of \$1.58 million at 30 June 2014 related to loans with Parimont Global Limited and Celtic Capital Pty Ltd



- The impairment in associate of \$4.2 million was the carrying value of the Petromad (Mauritius) Limited investment for the year ended 30 June 2014 which was valued using the equity method of accounting.
- The loss on sale of investment relates to the residual balance of the non-current assets available for sale for the year ended 30 June 2014 less the value received for that asset (79 million CRX shares of which 54 million were retained by Antares and 25 million were issued to Parimont Global Limited and Celtic Capital Pty Ltd).
- Professional and consulting fees have decreased from \$677,000 in the 12 months to 30 June 2014 to \$39,740 at 30 June 2015 attributable to the reduction in activity resulting from the sale of 75% of Cooper Range and fewer executive directors working within the Company.

# 5.4 Capital Structure

The share structure of Antares as at 3 March 2016 is outlined below:

	Number
Total ordinary shares on issue	1,166,938,638
Top 20 shareholders	642,313,723
Top 20 shareholders - % of shares on issue	55.04%

Source: Antares Mining Limited Share Registry

The range of shares held in Antares as at 3 March 2016 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	83	12,552	0.00%
1,001 - 5,000	96	319,121	0.03%
5,001 - 10,000	128	1,054,634	0.09%
10,001 - 100,000	602	27,496,215	2.36%
100,001 - and over	593	1,138,056,116	97.52%
TOTAL	1,502	1,166,938,638	100.00%

Source: Antares Mining Limited Share Registry

The ordinary shares held by the most significant shareholders as at 3 March 2016 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Celtic Capital Pty Ltd	107,200,000	10.47%
Ms Roseline Emma Roasolovoahangy	50,000,000	4.88%
Nefco Nominees Pty Ltd	49,972,061	4.88%
Garrison Capital Partners Limited	37,852,759	3.70%
Subtotal	245,024,820	23.92%
Others	779,113,818	76.08%
Total ordinary shares on Issue	1,024,138,638	100.00%

Source: Antares Mining Limited Share Registry



# 6. Profile of Precast

# 6.1 History

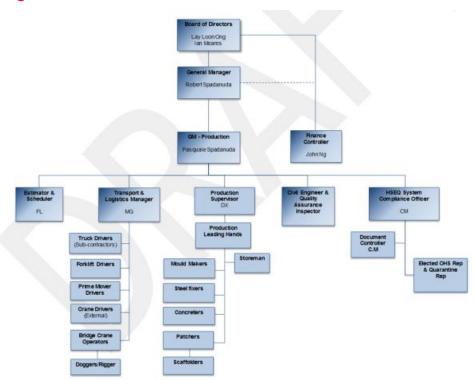
Precast was incorporated on 24 September 2014, following Conspect Construction Pty Ltd, trading as Perth Precast, appointing administrators in July 2014.

Precast's principle activity is the supply and manufacture of various precast concrete products to customers in Western Australia, with its facilities located in Kwinana Beach, Western Australia.

The ultimate parent and controlling entity of Precast is WestStar Resources Pte Ltd, a company incorporated in Singapore.

Precast has two directors, Ian Meares and Lay Loon Ong, both appointed on 9 September 2015. The general manager, Robert Spadanuda, is responsible for the day to day running of the Precast business and has been with the company since 14 October 2014.

# 6.2 Organisational structure



Source: Precast Australia Pty Ltd Management

## 6.3 Operations

Precast has an in-house steel fabrication shop and in-house reinforcement bending machines that enable the business to manufacture all required steel moulds, and cut and bend the moulds to customer specifications.

Precast products include walls, floors, columns, marine structures, streetscapes and architectural applications, and cater to the oil and gas, mining engineering, infrastructure and construction sectors.



Precast's facilities include an undercover factory area, bed space area, car parking, modern office facilities and an extensive hardstand storage area. The large storage area gives Precast a competitive advantage in being able to manufacture large-scale components to an efficient and cost-effective schedule, store the components and time the delivery to site to suit the changing project demands. The large storage area has allowed Precast to consistently work on various constructions projects at one time.

Precast works in partnership with logistic companies to deliver resource, infrastructure and construction projects throughout Western Australia.

## 6.4 Major clients

Precast has built long term relationships with a variety of major international companies and industry leaders across the oil and gas, mining engineering, infrastructure and construction industries. Many of these relationships have been carried on from Perth Precast.

Some of Precast's major clients include:

Broad

Decmil

Diploma Construction

Doric

EMCO Building

Ertech

John Holland

Leighton

Pindan

R J Vincent & Co

Thiess

WATPAC Civil and Mining

# 6.5 Recent projects

In the last six months Precast has been successful in winning a number of tenders with large customers with major contracts secured and delivered with Laing O'Rourke Australia, Aggreko and Cockram.

A summary of their most recent projects include:

## Laing O'Rourke - Wheatstone

The company completed a project for the Chevron operated Wheatstone Project, located 12 kilometres west of Onslow in Western Australia.

The project was for large pull boxes up to 140 tonne for the Wheatstone LNG Plant. The Precast Units allowed the head contractor to reduce programme by up to 10 weeks.

The products were installed on site using a 550 tonne crane in superlift configuration, and a total concrete volume 1300m<sup>3</sup> with 200 tonne of reinforcement.

## Laing O'Rourke - Stadium Rail

The company completed stage 1 works for the new Perth Stadium Rail commencing with the structural components of retaining and innovative Precast Platform walls.

The companies design solutions for these Precast components that saved project time and man hours. Following this, the company was awarded with further scope doubling the size of the contract.

## Aggrekko

The company designed and constructed works for Cockrams Metronode Shenton Park project in Western Australia. The project was delivered on time and on budget.

Numerous other contracts were won during the period with some completed and some continuing through to the next reporting period.



## 6.6 Historical Balance Sheet

	Audited as at	Audited as at
Statement of Financial Position	31-Dec-15	30-Jun-15*
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	483,972	404,849
Receivables	1,235,388	674,399
Other assets	196,004	258,327
TOTAL CURRENT ASSETS	1,915,364	1,337,575
NON-CURRENT ASSETS		
Intangible asset	28,795	28,795
Property plant and equipment	327,816	316,684
TOTAL NON-CURRENT ASSETS	356,611	345,479
TOTAL ASSETS	2,271,975	1,683,054
CURRENT LIABILITIES		
Payables	1,423,333	1,137,137
Provisions	93,725	89,142
Borrowings	1,243,142	-
TOTAL CURRENT LIABILITIES	2,760,200	1,226,279
NON-CURRENT LIABILITIES		
Borrowings	-	1,078,304
TOTAL NON-CURRENT LIABILITIES	-	1,078,304
TOTAL LIABILITIES	2,760,200	2,304,583
NET ASSETS	(488,225)	(621,529)
EQUITY		
Share capital	160	120
Accumulated losses	(488,385)	(621,649)
TOTAL EQUITY	(488,225)	(621,529)

Source: Precast Australia Pty Ltd Financial Reports for the period ended 30 June 2015 and 31 December 2015.

We note the auditor issued an Emphasis of Matter in the audited financial report for the year ended 30 June 2015. The auditor outlined the existence of material uncertainty in relation to the Company's ability to continue as a going concern and whether it can realise its assets and extinguish its liabilities in the normal course of business at the amounts state in the financial report.

Should Antares fail to successfully complete the acquisition of Precast, or the ongoing financial support of WestStar is not provided to a level which would enable the Company to meet its financial commitments, there is a material uncertainty that may cast significant doubt on whether the Company will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

<sup>\*</sup>Precast Australia Pty Ltd was incorporated on 25 September 2014



We note the following in relation to Precast's financial position:

- Other assets comprise accrued income and prepayments
- Intangible assets comprise permits and intellectual property valued at cost, acquired as part of the asset acquisition of certain assets of both Conspect Construction Pty Ltd and Conspect Investment Pty Ltd on 16 October 2014
- Payables comprise trade creditors, the operating lease liability and sundry creditors and accruals.
   The payables balance is largely attributable to trade creditors totalling \$1.07 million as at 31
   December 2015.
- Current liabilities of \$1.24 million comprise capital injections from the Company's majority shareholder, WestStar. WestStar have confirmed they will not call for repayment of the above liabilities in circumstances where Precast would be unable to meet its other liabilities as and when they fall due, and will continue to offer financial support should the need arise to enable Precast to continue as a going concern.
- Net liabilities have decrease from \$621,529 as at 30 June 2015 to \$488,225 as at 31 December 2015, largely attributable to an increase in receivables from \$674,399 to \$1.24 million.

# 6.7 Historical Statement of Comprehensive Income

Statement of Comprehensive Income	Audited for the half year ended 31-Dec-15	Audited for the nine months to 30-Jun-15*
Revenue		
Sales revenue	4,977,828	2,470,425
Other revenue	20,578	19,747
Total income	4,998,406	2,490,172
Less: cost of sales	(3,852,069)	(1,559,783)
Gross profit	1,146,337	930,389
Gross profit margin %	23.03%	37.66%
Expenses		
Administration expenses	(756,216)	(1,208,167)
Distribution expenses	(139)	(168)
Marketing expenses	-	(2,151)
Occupancy expenses	(210,084)	(305,824)
Borrowing costs	(46,634)	(35,728)
Profit/(loss) from continuing operations before tax	133,264	(621,649)
Income tax expense	-	-
Profit/(loss) from continuing operations after tax	133,264	(621,649)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the period	133,264	(621,649)

Source: Precast Australia Pty Ltd Financial Report for the period ended 30 June 2015 and 31 December 2015

<sup>\*</sup> Precast Australia Pty Ltd was incorporated on 25 September 2014



We note the following in relation to Precast's recent financial performance:

- Sales revenue has increased to \$4.98 million for the period ended 31 December 2015 as a result of the Company being successful in a number of tenders with larger customers including Laing O'Rourke Australia, Aggreko and Cochlear places orders requiring same period supply and delivery within the six months to 31 December 2015.
- Cost of sales comprises materials used, direct labour costs and manufacturing costs. The increase from \$1.56 million for the period ended 30 June 2015 to \$3.85 million for the period ended 31 December 2015 is largely attributable to manufacturing costs increasing from \$927,252 to \$2.65 million.
- Gross profit as a percentage of sales has decreased from 38% to 23% for the half year ended 31 December 2015.
- Borrowing costs relate to a loan with WestStar, with costs increasing for the six months to 31 December 2015 as a result of borrowings increasing by approximately \$200,000.

# 6.8 Capital Structure

Precast had 160 fully paid ordinary shares outstanding as at 31 December 2015. The majority shareholder as at 31 December 2015 is WestStar Resources Pte Ltd holing 75% of the shares, with Passpa Pty Ltd holding the remaining 25%.



# 7. Economic analysis

## 7.1 Australia

The Australian economy continued to grow at a moderate pace as activity rebalances away from the resources sector. The rate of unemployment rate was 5.7 percent in December 2015, reflecting a 0.5% fall over 2015, and is expected to remain around current levels. Employment growth has reflected strong growth in labour-intensive sectors.

Household consumption growth has increase and data shows retail trading conditions improved over the Christmas and post-Christmas period, in line with households improved perceptions of their personal finances.

Commodity prices are now around 50% below their peak in 2011 reflecting a combination of lower growth in demand and, more importantly, significant increases in supply.

The depreciation of the exchange rate has been supporting sectors exposed to trade, most apparent in the growth of the net service exports. Despite the fall in commodity prices, resource exports have continued to support growth with iron ore exports to China remaining at high levels in 2012. The ramp-up in liquefied natural gas exports as projects begin productions will also support growth.

Headline inflation for 2015 was 1.7%, attributable to lower fuel prices and decreases in utility prices. At its most recent meeting, the Reserve Bank of Australia ('RBA') decided to leave the cash rate unchanged at 2.0% and believed there were reasonable prospects for continued growth in the economy, with inflation close to target,

Overall, the economy is likely to be operating with a degree of spare capacity for some time yet. With slow growth in labour costs, inflation is forecast to remain consistent with the RBA target over the next one to two years, despite a lower exchange rate.

Source: <a href="www.rba.gov.au">www.rba.gov.au</a> Statement by Glenn Stevens, Governor: Monetary Policy Decision 4 February 2016



# 8. Industry analysis

## 8.1 Concrete manufacturing and precast concrete

Precast operates in the highly competitive Concrete Product Manufacturing industry ('CPM') which, at present is dominated by approximately seven major companies. The CPM industry produces a range of concrete products including pipes and box culverts, rocks and blocks, cement based building boards and floors, wall and roofing tiles and precast panels and posts.

Precast specialises in the production of a construction product that is produced by casting concrete in a reusable mould which is cured in a controlled environment, transported to site and then lifted into place. Precast concrete is a versatile product which can be made into a large variety of sizes, functions and finishes. Precast concrete is primarily used in commercial, industrial and residential industries.

The use of precast concrete is widely regarded as an economic, durable, structurally sound and architecturally versatile form of construction. Some of the benefits of using precast concrete include:

- more reliable product the manufacturing process is completed in controlled environments that aren't affected by weather conditions;
- improved aesthetics can produce a variety of finishes, colours and forms;
- faster construction the manufacturing process of precast concrete can begin once drawings are approved which ensures they are ready for erection as soon as foundation work and other site preparation is completed;
- safer -finished components are delivered to site and lifted directly into position often without the need for scaffolding. This also results in a minimised on-site trade requirement;
- energy efficient precast concrete has a high density which allows for better absorption of heat;
- design flexibility moulds are bespoke and can be created to suit any design;
- higher strength the combination of reinforcement and pre-stressing provides for longer life cycles and higher loading capacity;
- lower costs precast concrete is constructed off-site which reduces site labour costs, reduced time on site and reduced plant, tools and material storage requirements;
- acoustic benefits precast concrete features sound attenuation properties due its mass; and
- fire and disaster resistant the product is resistant to fire, wind, hurricanes, floods, earthquakes, wind-driven-rain and moisture damage.

Source: National Precast Concrete Association Australia: <a href="www.nationalprecast.comau">www.nationalprecast.comau</a>

## 8.2 Industry performance

The CPM industry is currently under threat from overseas producers. As such, annualised growth has declined by 1.1% over the five years to 2015/16. This declining revenue also reflects divergent investment trends within the construction industry, greater penetration of imports and more use of substitute products like metal roofing.



The key demand determinants are listed in the chart below:



As illustrated in the chart above, the CPM industry is most sensitive to changes in the residential building and construction segment which has been subdued for much of the past five years. The non-residential building and construction segment which accounts for 31% of the industry has also faced deteriorating trends over the same period. Most of the industry demand in the 2013-14 financial year was created by a surge of investment into infrastructure projects which was also supported by the boom in mining developments. These trends have reversed in recent years with residential and commercial building segments' improving meanwhile the infrastructure market deteriorates.

Industry employment is expected to fall in line with revenue. Additionally, the number of businesses which operate in the CPM industry is also expected to decline. The number of CPM businesses operating in Australia peaked at 923 in 2010-11. This has since declined to 785 in 2015-16 which represents an annualised fall of 3.2% over the past five years. As a result, the seven major operators in the industry have increased their market share and have begun to concentrate production into larger scale facilities. These changes will continue to add pressure to the smaller manufactures.

## 8.3 Major competitors

The CPM industry major companies are:





The chart above illustrates that 91.4% of the market share of the CPM industry is controlled by seven companies with Fletcher Building Limited being the largest single operator in the industry with 22.7% of the total market.

Entry into the CPM industry can be simple if focused on niche markets like servicing the household sector however, barriers to entry are high and increasing in the major building product and infrastructure product segments. This is evident by the market share dominance of the seven businesses listed above. Several of the leading businesses also have a high level of vertical integration into cement and concrete production which leads into improved efficiency and economies of scale.

Additionally, the larger companies often have tolling agreements whereby competitors are contracted to supply products to customers in particular markets.

Capital requirements vary based on the scale of operations and types of products produced. Capital expenditure for the larger scale operations is substantial and can hinder the entry of new competitors.

Competition in the CPM industry is also high and increasing despite the dominance of the few large scale players above. The more intense competition is fuelled by the increasing demand and threat of imports. Industry exports currently account for 7.8% of domestic demand and is steadily increasing as Australian producers can't match the price competitiveness of the low cost manufactures in developing countries.

## 8.4 Outlook

Despite the CPM industry declining by an annualised 1.1% in the five years to 2015-16, the expected forecast for the next five years is expected to be marginally higher. Industry revenue is expected to recover by an annualised 1.1% in the five years to 2020/21 and will be driven by improved sales in the housing and commercial building markets.

Building construction is expected to grow by an annualised 1.8% over the next five years and is forecast to offset the projected decline in the demand for structural products in used in the infrastructure markets.

The industry is also expected to lose market share to substitute products and imports over the next five years. Imports are expected to increase by an annualised 2.0% over the next five years which will continue to apply pressure to profit margins and overall revenue.

Source: IBISWorld Industry Report: Concrete Product Manufacturing in Australia



# 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment (such as a Resource Multiple)

A summary of each of these methodologies is outlined in Appendix 2.

# 9.1 Valuation of an Antares share prior to the Transaction

In our assessment of the value of an Antares share prior to the Transaction we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary valuation methodology.

We have chosen these methodologies for the following reasons:

- The NAV methodology is the most appropriate to consider given the Company is a listed exploration company;
- The QMP basis is a relevant methodology to consider because Antares' shares are listed on the ASX. This means there is a regulated and observable market where Antares' shares can be traded. However, in order for the QMP methodology to be considered appropriate, the Company's shares should be liquid and the market should be fully informed as to its activities. We have considered these factors in section 10.2 of our Report;
- Antares does not generate regular trading income. Therefore there are no historic profits that could be used to represent future earnings. This means that the FME valuation approach is not appropriate; and
- In its current form, Antares has no foreseeable future net cash inflows and therefore the application of the DCF valuation approach is not considered appropriate.

# 9.2 Valuation of an Antares share following the Transaction

In our assessment of the value of an Antares share following the Transaction we have chosen to employ the sum-of-parts methodology. The sum-of-parts methodology comprises:

- The value of Antares prior to the Transaction based on the NAV approach as a primary methodology and the QMP as our secondary methodology;
- The cash raised under the Capital Raising (net of capital raising costs) which is to be undertaken by the Company in conjunction with the Transaction;
- The value of Precast; and
- The payment of any transaction costs or fees as a result of the Transaction.



In our assessment of the value Precast, we have taken into consideration the following items when assessing the appropriate valuation methodology:

- Precast's shares are not listed on the ASX (or any other exchange) and hence, there is no regulated and observable market where Precast's shares are traded. Accordingly, we cannot value the shares of Precast based on the QMP methodology.
- The FME approach is most commonly applicable to profitable businesses with relatively steady growth histories and forecasts. However, we have been unable to use this approach with regard to the valuation of Precast, given that it has only been operating since September 2014. This implies that we do not have a reasonable basis to assess future maintainable earnings of Precast at this point in time despite profits being generated for the six months to 31 December 2015.
- The DCF approach is particularly applicable to businesses with limited lives, experiencing growth and that are in the start-up phase, with irregular cash flows. The DCF approach has not been considered, given that sufficient information for a DCF valuation to be undertaken is not available at this point in time and even if they had been available we do not consider that we have reasonable grounds, under RG 111, based on Precast's short historical performance to consider the DCF approach.
- The NAV methodology has therefore been considered an appropriate valuation methodology to undertake. However, we note that asset based methods ignore the possibility that Precast's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as goodwill.

Based on the above, we consider the most appropriate methodology to value Precast is the NAV methodology.



# 10. Valuation of Antares prior to the Transaction

## 10.1 Net Asset Valuation of Antares

The value of Antares assets on a going concern basis is reflected in our valuation below:

NAV prior to the Transaction	Notes	Audited as at 31-Dec-15 \$	Preferred Valuation \$
CURRENT ASSETS			
Cash and cash equivalents		882,325	882,325
Other receivables		16,857	16,857
Available for sale investment		6,000	6,000
Non-current assets held for			
sale	-	-	-
TOTAL CURRENT ASSETS		905,182	905,182
NON-CURRENT ASSETS			
Investment in an associate		99,426	99,426
TOTAL NON-CURRENT ASSETS	. <del>-</del>	99,426	99,426
TOTAL ASSETS	_	1,004,608	1,004,608
CURRENT LIABILITIES	·-		
Trade and other payables		174,825	174,825
Borrowings		1,029,739	1,029,739
TOTAL CURRENT LIABILITIES	·-	1,204,564	1,204,564
NET ASSETS		(199,956)	(199,956)
Number of shares on issue	1	23,338,773	23,338,773
Value per share (\$)			Nil

Source: BDO analysis

We have been advised by Management that there has not been a significant change in the net assets of Antares since 31 December 2015. The table above indicates a net asset value of an Antares share prior to the Transaction is Nil given the net liability position as at 31 December 2015.

The net assets position as at 31 December 2015 has been adjusted to reflect the following:

## Note 1) Number of shares on issue

We have adjusted the number of shares on issue to provide a like for like comparison following the Transaction.

	Number of Shares
Issued shares as at the date of our Report	1,166,938,638
Share consolidation ratio	50:1
Total number of issued shares as at the date of our Report (post consolidation)	23,338,773



# 10.2 Quoted Market Prices for Antares securities

For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Antares, the Company's shares have been suspended from trading since 19 April 2013 therefore, we do not consider the quoted market price to be relevant in assessing the value of the Company's shares.

## 10.3 Assessment of Antares value

The results of the NAV valuation is summarised in the table below:

Valuation of Antares prior to the Transaction	Preferred Value
Net assets value (Section 10.1)	Nil

Source: BDO analysis

We conclude that the value of an Antares share prior to the transaction under the NAV approach to be nil.



# 11. Valuation of Antares following the Transaction

The sum-of-parts valuation of Antares following the Transaction is set out below.

NAV following the Transaction	Notes	Low value \$	Preferred value \$	High value \$
NAV of Antares prior to the Transaction	Ref 10.1	(199,956)	(199,956)	(199,956)
Adjustments to NAV of Antares	1	1,000,000	1,000,000	1,000,000
NAV of Precast	Ref 6.6	(488,225)	(488,225)	(488,225)
Adjustments to NAV of Precast	2	-	-	-
Net cash raised from Capital Raising	3	2,600,000	2,600,000	3,530,000
Value of Antares following the transaction	_	2,911,819	2,911,819	3,841,819
Discount for minority interest	4	20%	19%	17%
Value of Antares following the transaction (minority interest basis)		2,329,455.20	2,367,332.52	3,188,709.77
Number of shares on issue post Transaction	5	192,338,773	192,338,773	212,338,773
Value per share (\$)		0.012111	0.012308	0.015017
Value per share (cents)	_	1.211	1.231	1.502

Source: BDO analysis

Based on the above, we consider the value of a share in Antares following the Transaction on a minority interest basis to be between \$0.012 and \$0.015, with a preferred value of \$0.012. We note the following in relation to the sum-of-parts valuation above:

## Note 1) Adjustments to NAV of Antares

We have adjusted the NAV of Antares to reflect the extinguishment of the \$1 million Convertible Note liability and conversion to shares with a corresponding adjustment to the shares on issue set out in note 5.

## Note 2) Adjustments to NAV of Precast

We have been advised by Management that there has not been a significant change in the net assets of Precast since 31 December 2015, and as such we had not made any adjustments to the net asset position of Precast as at 31 December 2015.

## Note 3) Capital Raising

As part of the Transaction, Antares is proposing to issue up to 80 million shares at a price of \$0.05 per share to raise up to \$4 million, with a minimum subscription of \$3 million. We have accordingly increased the net assets of Antares by \$3 million under the low and preferred scenario and by \$4 million under the high scenario in the table above, less the costs associated from the Capital Raising.

Cash raised from Capital Raising	Minimum Subscription	Full Subscription
Number of shares to be issued	60,000,000	80,000,000
Issue price per share (\$)	0.05	0.05
Transaction costs from Capital Raising	400,000	470,000
Net cash proceeds from Capital Raising (\$)	2,600,000	3,530,000



## Note 4) Discount for minority interest

RG 111.25 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst the associates of Precast may not be obtaining 100% of Antares, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.27 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

When assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

- (a) the acquirer is obtaining or increasing control of the target; and
- (b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

In this instance as explained in section 3.3 of our Report, in assessing fairness we have compared the value of an Antares share prior to the Transaction on a control basis to the value of an Antares share following the Transaction on a minority interest basis.

The values derived from our valuations of Antares and Precast using the net asset values methodology following the Transaction is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company. Therefore, if the Transaction is approved, Shareholders will become minority interest shareholders in Antares as the Precast vendors will hold a controlling interest. As such, Shareholders interests will not be considered significant enough to have an individual influence in the operations and value of the Company.

We have therefore adjusted our valuation of an Antares share following the Transaction, to reflect a minority interest holding. A minority interest is the inverse of a premium for control and is calculated using the formula  $1 - (1 \div (1 + Control Premium))$ .



## **Control Premium**

We have reviewed the control premiums paid by acquirers of companies listed on the ASX since 2007. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2015	33	702.29	27.16
2014	43	463.35	31.16
2013	43	177.79	43.36
2012	55	322.52	37.03
2011	67	766.18	48.45
2010	69	741.25	37.60
2009	64	328.15	46.22
2008	42	743.72	39.04
2007	84	1008.24	21.79
	Mean	583.72	36.87
	Median	702.29	37.60

Source: Bloomberg and BDO analysis

The mean and median figures above are calculated based on the average deal value and control premium for each respective year. To ensure our data is not skewed we have also calculated the mean and medium of the entire data set comprising control transactions from 2007 onwards, as set out below.

Entire Data Set Metrics	Average Deal Value (AU\$m)	Average Control Premium (%)
Mean	616.46	36.81
Median	80.81	30.83

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

The table above indicates the long term average control premiums paid by acquirers of all companies on the ASX is approximately 36.87%.

In assessing the sample of transactions which were included in the above table, we have noted transactions within the list which appear to be extreme outliers. These outliers include transactions where the announced control premium was in excess of 100%. In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean.

In determining the appropriate control premium appropriate for Antares, we reviewed control transactions of a similar nature and size. We considered this to be an appropriate approach, noting that the average



control premium is influenced by factors such as whether the consideration is cash or scrip and the deal size.

In the case of Antares, we have taken the following considerations into account:

- Antares' auditor issued an Emphasis of Matter paragraph in the audited financial report for the year ended 30 June 2015. The auditor outlined the existence of a material uncertainty in relation to the Company's ability to continue as a going concern given the dependence upon the Company's ability to raise sufficient funds from various sources. The Company's current financial situation may impact the likely premium that an acquirer would pay to acquire the Company;
- The Company's assets at 30 June 2015 consisted of a small amount of receivables, cash and asset held for sale plus its remaining 25% interest in Copper Range. As such, we believe the control premium should be discounted to reflect the lack of projects and cash assets of the Company; and
- The Associates' holding in the Company following completion of the Transaction will be in the range of 40.03% and 53.81% depending on the amount of funds raised in the Capital Raising, and the number of options that convert and Performance Shares that vest.

In determining the premium for control to be paid by Antares we have taken into account the above analysis plus the nature of the Transaction. We believe an appropriate control premium to apply to our valuation is between 20% and 25%. As such, we consider an appropriate minority discount to apply in our valuation of Antares shares following the Transaction is in the range of 17% to 20%.

Note 5) Number of shares on issue following the Transaction

Shares on issue following the Transaction	Minimum	Maximum	
Current number of shares on issue prior to the Transaction 1,166,938,638		,638	
Conversion ratio (50:1)	50		
Current number of shares on issue post consolidation	23,338,773		
sue of Consideration Shares 80,000,000		000	
Conversion of convertible note	25,000,000		
Issue of shares to CPS	4,000,000		
Shares issued in Capital Raising 60,000,000 80,000		80,000,000	
Total shares on issue following the Transaction	192,338,773	212,338,773	

We have not included the impact of the Performance Shares as Precast has a limited trading history and the probability of meeting the vesting conditions outlined in section 4.1 cannot be ascertained with a reasonable degree of certainty.

Additionally, we have not included the impact of the conversion of options, with an exercise price of \$0.10, as we consider the options to be issued to be out of the money based on our preferred valuation of Antares in section 11.



# 12. Is the Transaction fair?

The value of an Antares share prior to the Transaction on a control basis and the value of an Antares share following the Transaction on a minority basis is compared below.

	Ref	Low \$	Preferred \$	High \$
Value of an Antares share prior to the Transaction on a controlling basis	10.3	Nil	Nil	Nil
Value of an Antares share following the Transaction on a minority basis	11	\$0.012	\$0.012	\$0.015

We note from the table above that the value of an Antares share following the Transaction on a minority interest basis is greater than the value of an Antares share prior to the Transaction on a controlling interest basis. The above pricing indicates that, in the absence of any other relevant information, the Transaction is fair.

# 13. Is the Transaction reasonable?

# 13.1 Advantages of approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable.

Advantage	Description		
The Transaction is fair	As set out in Section 12 the Transaction is fair. RG 111 states that an offer is reasonable if it is fair.		
The Transaction may increase the Company's ability to generate returns for its shareholders	As at the date of our Report, Antares' only material asset is a 25% investment in Copper Range. The decision to sell 75% of its shares in Copper Range was a result of the Board being unsuccessful in its explored opportunities to obtain further funding to enable Cooper Range to exploit the assets on its own. The Board made the decision given the recent market conditions, lack of support for exploration conditions, and the dire financial circumstances of the Company. Since the sale of 75% of Cooper Range, Antares has been reviewing potential investment opportunities to increase shareholder return.		
	The Transaction, if approved, will change the Company's nature and scale of activities. It will require Antares to re-comply with the listing requirements and raise additional capital. Shareholders will then own shares in an operating company, which will have a greater potential to generate return for shareholders.		
	We consider the acquisition of Precast may give Antares the opportunity to generate returns for shareholders in the form of capital growth, and the possibility to receive dividends in the future than if the Company continues without an operating business.		



Advantage	Description			
Acquiring a business that has experienced substantial growth	If the Transaction is approved by Shareholders, Antares will acquire a business operating in the concrete product manufacturing industry that has experienced substantial growth since incorporation.			
	In the first nine months of operation Precast generated revenues of \$2.47 million and in the following six months generated \$4.98 million. This growth is expected to continue with Precast having secured \$3.2 million of work to date for the six months to 30 June 2016.			
The Transaction will put the Company under less cash flow strain and provide a cash injection	In conjunction with the Transaction, Antares will be required to raise up to \$4 million, with a minimum subscription of \$3 million via the Capital Raising. This will assist the Company in growing the Precast business and cover working capital requirements.			
	In addition, the consideration payable to the Vendors of Precast is in the form of shares, options and performance shares. This will help Antares retain cash raised through the Capital Raising and put the Company under less cash flow strain.			
The inclusion of Performance Shares aligns the Vendors objectives with the Company	The inclusion of Performance Shares aligns the Vendor's objectives with that of the Company to achieve revenue targets, thereby providing a higher yield for existing shareholders' of Antares.			
	In our view, although the vesting of the Performance Shares and Options will result in further dilution for Shareholders, the vesting conditions ensure that this will only occur once milestones which are likely to be value accretive to Shareholders have been met. On this basis, we consider that the interests of the Precast Vendors and the Shareholders are aligned.			
Liquidity of Antares shares may increase	We note in Section 10.2 that Antares' shares have been in a trading halt since April 2013. As part of the Transaction, the Company must re-comply with the ASX listing rules 1 and 2 and once completed will resume trading on the ASX. As such, shareholders will be able to trade securities following the Transaction and re-compliance requirements.			
	It is expected that the acquisition of Precast will improve liquidity, as the larger market capitalisation and enhanced shareholder base following the capital raising is expected provide a more liquid market for the Company.			
Ability to raise additional funds may improve	The acquisition of Precast would increase the Company's ability to raise additional working capital if required and the change in nature of the Company's activities would also attract a new pool of investors.			



# 13.2 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

Disadvantage	Description
Dilution of existing Shareholders' interests	If the Transaction is approved, existing Shareholders will be diluted from holding 100% of the issued capital of Antares to a holding ranging from 10.99% to 12.13% (prior to any Options or Performance Shares being exercised). Shareholders' existing interest may be further diluted to a holding ranging from 7.35% to 7.85% if the Options and Performance Shares are exercised.
Risks associated with the change in nature of the business	Shareholders invested in Antares assuming that it was a mineral exploration Company. The Transaction, if approved, will expose shareholders to risks associated with Precast and its business, away from a pure mineral exploration investment. Some of the risks associated with Precast include:
	<ul> <li>Placing greater reliance of the expertise and reliance of its key personnel, with the loss of key personnel potentially having an adverse impact on the operations of Precast;</li> </ul>
	<ul> <li>Future demand for capital projects; and</li> </ul>
	- The level of supply for key inputs in construction projects.
Decreases the likelihood of a takeover offer	If the Transaction is approved, the Associates will hold up to 44.19% of the issued capital of Antares (excluding the exercise of any Options and Performance Shares). This may discourage any other potential bidder from making a takeover bid in the future as the Associates will have significant control over the Company.
	Following the Transaction, the Associates will be able to block special and pass general resolutions, and have control over the Board. This may reduce the opportunity for Shareholders to receive a takeover premium in the future.

# 13.3 Other considerations

## 13.3.1. Alternative offers

We are unaware of any alternative proposal that might offer the Shareholders of Antares a premium over the value, resulting from the Transaction.

## 13.3.2. Practical level of control

If the Transaction is approved then the Associates will have an initial relevant interest between 40.03% and 44.19% in Antares (excluding the exercise of any options and performance shares). If all options and performance shares are exercised the Associates relevant interest will be in the range of 50.42% and 53.81%.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50%



of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Transaction is approved, the Associates will be able to block all special resolutions and pass all general resolutions, if all options are exercised and all performance shares vest.

The Associates control of Antares following the Transaction will be significant when compared to all other shareholders and therefore will be able to significantly influence the activities of Antares.

## 13.3.3. Consequences of not Approving the Transaction

Antares is mineral exploration company which has not generated revenue during the historical period. If the Transaction is not approved, Antares must continue to search for alternative opportunities as the Company's only material asset is a 25% interest in Cooper Range.

The Directors of Antares would also need to consider funding alternatives to continue as a going concern.

## 14. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Antares.

In our opinion, the Transaction is fair because the value of an Antares share following the Transaction on a minority basis is greater than the value of an Antares share prior to the Transaction on a controlling basis. We also consider the Transaction to be reasonable; RG 111 states that an offer is reasonable if it is fair.

## 15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Antares for the years ended 30 June 2015, 30 June 2014, 30 June 2013 and half year ended 31 December 2015;
- Audited financial statements of Precast for the year ended 30 June 2015 and half year ended 31 December 2015;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Antares.

# 16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$16,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Antares in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Antares, including the non provision of material information, in relation to the preparation of this report.



Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Precast and Antares and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Precast and Antares and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Antares, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Antares and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

# 17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 18 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty five years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 250 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.



## 18. Disclaimers and consents

This report has been prepared at the request of Antares for inclusion in the Explanatory Memorandum which will be sent to all Antares Shareholders. Antares engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider if the issue of 80 million shares, 20 million options and 80 million performance shares (all to be issued post consolidation) to the shareholders of Precast to acquire 100% of the issued capital in Precast is fair and reasonable to the non-associated shareholders of Antares.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, 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, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Transaction. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Antares, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD** 

Adam Myers

Sherif Andrawes

Director

Director



# Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
Associates	Collectively, WestStar and Mr Lay Ann Ong
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
Capital Consolidation	The consolidation of Antares share capital on a 1 for 50 basis (including the Convertible Notes issued to My Lay Ann Ong)
Capital Raising	The issue of up to 80 million shares at \$0.05 per share raising \$4 million, with a minimum subscription of \$3 million
The Company	Antares Mining Limited
Consideration Shares	80 million shares, 20 million options and 80 million performance shares
Corporations Act	The Corporations Act 2001 Cth
CPS	CPS Capital Group Pty Ltd
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by BDO
Passpa	Passpa Pty Ltd, a vendor of Precast Australia Pty Ltd



Reference	Definition
Precast	Precast Australia Pty Ltd
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Sanston	Sanston Securities Australia Pty Ltd, an entity controlled by Mr Frank Licciardello
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Antares Mining Limited not associated with Precast Australia Pty Ltd
The Transaction	The proposal to issue 80 million shares, 20 million options and 80 million performance shares (all to be issued post consolidation) to the vendors of Precast
Valmin Code	The Code of Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
The Vendors	WestStar Resources Pte Ltd and Passpa Pty Ltd
VWAP	Volume Weighted Average Price
WestStar	WestStar Resources Pte Ltd, a vendor of Precast and entity controlled by Mr Lay Ann Ong



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For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO, WA 6008
Australia



# Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

## 1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

## 2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a 'deep' market in that security.

## 3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.



The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

## 4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

## 5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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**Holder Number** 

	curity Holder Appointn							
I/We	e being a Shareholder entitled to attend	and vote at the Meeting,	hereb	by appoint	7			
				OR	Th	e Chair as my/our proxy		
	(Name of Pro	xy)						
or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 10:30am (WST) on 18 April 2016 at the offices of HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia and at any adjournment thereof.								
The	Chair intends to vote undirected proxie	s in favour of all Resoluti	ions ir	n which the Chair is entitled	to vote.			
	ss indicated otherwise by ticking the "for" voting intention.	or"," against" or "abstain	" box	you will be authorising the 0	Chair to vot	re in accordance with the		
VO	TING ON BUSINESS OF THE ME	ETING		· ·				
Resc	lutions	For Against Abstain	Resc	olutions		For Against Abstain		
1	Change to nature and scale of Activities		6	Issue of Passpa Considerati Securities to Passpa	on			
2	Consolidation of capital		7	Capital Raising				
3	Creation of a new class of Securities (Performance Shares)		8	Change of Company name				
4	Issue of WestStar Consideration Securities to WestStar and increase in Relevant Interest		9	Issue of Options to a relate Sanston Securities	d party –			
5	Issue of Shares to related party noteholder		10	Issue of Shares to CPS Capi	tal			
	e note: If you mark the abstain box for a part and your votes will not be counted in computin		_		Resolution or	a show of hands or on a		
SIG	NATURE OF SHAREHOLDER(S):	:						
	vidual or Shareholder 1	Shareholder 2			Shareho	lder 3		
	Director or Director / Company Secretary	Director			Director	/ Company Secretary		

### INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

### **APPOINTING A PROXY**

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

**Note:** If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

#### **VOTING ON BUSINESS OF MEETING**

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

#### SIGNING INSTRUCTIONS

- Individual: Where the holding is in one name, the Shareholder must sign.
- Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney**: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

## ATTENDING THE MEETING

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.

## **LODGEMENT OF VOTES**

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

- a) Hand Delivery to Automic Registry Services Suite 1a, Level 1 7 Ventnor Avenue West Perth WA 6005; or
- b) Post to Automic Registry Services, PO Box 223, West Perth WA 6872; or
- c) Facsimile to Automic Registry Services on facsimile number +61 8 9321 2337

Proxy Forms received later than this time will be invalid





Holder Number

	curity Holder Appointn	•				
I/We	being a Shareholder entitled to attend	and vote at the Meeting,	hereby appo	pint		
				OR	Th	e Chair as my/our proxy
dired 10:3	(Name of Pro illing the person so named or, if no pe tions, or, if no directions have been give Dam (WST) on 18 April 2016 at the o urnment thereof.	erson is named, the Chai en, and subject to the rel	evant laws a	is the proxy sees fit	t, at the Gene	ral Meeting to be held at
The	Chair intends to vote undirected proxie	s in favour of all Resoluti	ons in which	the Chair is entitle	ed to vote.	
	ss indicated otherwise by ticking the "for's voting intention.	or"," against" or "abstain	" box you wi	ll be authorising th	e Chair to vot	te in accordance with the
VO	TING ON BUSINESS OF THE ME	EETING				
Reso	lutions	For Against Abstain	Resolution	s		For Against Abstain
1	Change to nature and scale of Activities			of Passpa Consider ities to Passpa	ation	
2	Consolidation of capital		7 Capit	al Raising		
3	Creation of a new class of Securities (Performance Shares)		8 Chan	ge of Company nan	ne	
4	Issue of WestStar Consideration Securities to WestStar and increase in Relevant Interest			of Options to a rela on Securities	ated party –	
5	Issue of Shares to related party noteholder		10 Issue	of Shares to CPS Ca	apital	
Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.						
SIG	NATURE OF SHAREHOLDER(S):	:				
Indiv	ridual or Shareholder 1	Shareholder 2			Shareho	lder 3
	Director or Director / Company Secretary	Director		<del></del>	Director	/ Company Secretary

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Proxy Forms received later than this time will be invalid