



CHAPMANS
HIGH CONVICTION INVESTMENT & FINANCE

LEVEL 10, 52 PHILLIP STREET
SYDNEY NSW 2000 AUSTRALIA
T + 61 2 9300 3630 F + 61 2 9300 3677
WWW.CHAPMANSLTD.COM
ABN 34 000 012 386

18 November 2014

Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Via: Electronic Lodgement

BUSINESS UPDATE

The Directors of Chapmans Limited ("Chapmans") are pleased to provide the following update:

RKS/SKYFII

Chapmans, via its wholly owned subsidiary, Chapmans Corporate Advisory Pty Ltd has been integrally involved in assisting the reverse takeover of SkyFii Group Pty Limited (SkyFii) into the suspended ASX entity RKS Consolidated Limited (ASX:RKS).

The transaction involved RKS acquiring all of the issued equity securities of SkyFii and as consideration RKS agreed to:

(i) issue RKS shares, each with an issue price of 20 cents per share to the value of \$14,000,000 as initial consideration (**Consideration Shares**); and

(ii) issue RKS shares, each with an issue price of 20 cents per share, up to a maximum amount of \$16,500,000 by way of an earn out (**Earn Out Shares**). The total amount of the Earn Out Consideration will be based on the revenue of the Company during the 2016 calendar year.

In addition, RKS successfully completed a capital raising of \$3,500,000 by way of a public offer, at an issue price of \$0.20 under a prospectus which closed heavily oversubscribed.

As detailed in the prospectus, Chapmans Corporate Advisory Pty Ltd earned a fee of \$250,000 in the form of 1,250,000 SkyFii shares at 20 cents per share.

It is expected that SkyFii (ASX:SKF) will recommence trading on the ASX on Friday 21 November 2014.

For more information on SkyFii, please see www.skyfii.com

QIM

As previously announced, Chapmans has been engaged on an exclusive basis by Queensland Industrial Minerals Holdings Limited (QIM) to advise on its capital raising strategy and proposed listing on the ASX.

QIM is an Australian public company established on 31st October 2002 for the purpose of developing a mineralised area known as 'Wateranga'. The Wateranga Project area contains significant quantities of high quality Ilmenite, Feldspar, Apatite and Zircon in an eluvial style deposit (unconsolidated) surrounding the 'Wateranga Gabbro'. The Gabbro is approximately 5km wide by 6km long and is characterised by an outcrop some 1.6km long, 600m wide and 120m high.



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Under the terms and conditions of the mandate, Chapmans will receive 3,000,000 ordinary shares at 10 cents per share equivalent to consideration of \$300,000, payable 25% on signing of the Engagement Letter (which have been issued to Chapmans), 50% payable upon lodgement of the Prospectus and 25% on completion of the Public Offer. It anticipated that QIM will relist at 20 cents per share.

In addition, a transaction fee equal to 6% of the gross offer proceeds will be payable to Chapmans.

It is now anticipated that the Prospectus will be issued in the first quarter of the 2015 calendar year.

Yours Faithfully

CHAPMANS LIMITED

Peter Dykes
Chairman

About Chapmans

Chapmans (ASX code: CHP) is an ASX listed specialist investment and finance company engaged in high yielding special situation investments across a diverse range of industries including resources, property and technology.

The Company's investment philosophy and approach are based on a unique mix of high conviction and special situation features, characterized by debt and equity investments structured around specific events and assets for both public and large private corporates.

See www.chapmansltd.com for more on Chapmans