

Resource Capital Research Financial Services Guide

Resource Capital Research

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Resource Capital Research
ACN 111 622 489

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Section 1

The Purpose of this Financial Services Guide

A. Financial Services Guide.

This Financial Services Guide has been prepared by Resource Capital Research Pty Ltd ACN 111 622 489 (RCR, we, us, our). RCR holds an Australian Financial Services Licence (licence number 325340).

The purpose of this Financial Services Guide is to:

- ensure that you receive important information about the type of financial services we are authorised to provide to you;
- assist you in deciding whether to use any of the financial services that we are authorised to provide to you;
- provide you with information about the remuneration that we may receive in relation to financial services offered; and
- provide you with details in relation to our complaints and dispute resolutions procedures.

We provide general advice on, and arrange to deal in Securities. RCR does not provide specific or personal advice. We do not consider your personal needs, circumstances or financial position when we make recommendations about securities. You should consider if our advice is appropriate for you after you consider your needs, circumstances or financial position.

Some of our financial services are provided by our Authorised Representatives. If there are special features of that service, we will give you an Authorised Representative profile for those features and detail the identity and contact details of the Authorised Representative, the remuneration they receive and the services they are authorised to provide.

Section 2

Overview of Resource Capital Research Pty Ltd

A. Contact Details

Business Name: Resource Capital Research Pty Ltd

Office Location:

Level 21, 68 Pitt Street
Sydney NSW 2000

Telephone: 02 9439 1919

Email: info@rcresearch.com.au

Website: www.rcresearch.com.au

B. Business Description

Resource Capital Research provides equity research on resource companies at exploration, development and production stage – typically those with a market value of less than \$100m, though up to several billion dollars, listed and unlisted.

RCR provides company research reports for both investors and companies. RCR also offers mining companies additional financial services.

The Managing Director of RCR, John Wilson, has had over 20 years experience in the resources sector with clients in Australia, USA, and the UK. He originally worked as an engineer with BHP in their minerals division. His qualifications include an MBA from the Wharton School of the University of Pennsylvania, a Bachelor of Engineering from the University of Sydney, and a Bachelor of Arts from the University of Queensland. He is a member of AusIMM.

C. Association with authorised representatives

RCR has relationships with a number of persons whom it has appointed as authorised representatives (Authorised Representatives). Authorised Representatives generally provide equity research and may make introductions for issuers to brokers and other financial service providers. Authorised Representatives may receive commission from us in respect of referrals as part of achieving performance and revenue thresholds as described in section 4B of this FSG.

Section 3

Financial Services and Financial Products

RCR holds an Australian Financial Services Licence, under which we are authorised to:

- (a) provide general financial product advice for the following classes of financial products:
 - (i) securities; and
- (b) deal in a financial product by:
 - (i) arranging for another person to issue, apply for, acquire, vary or dispose of a financial product in respect of the following classes of financial products:
 - (A) securities;

to retail and wholesale clients.

How to provide instructions

The method by which you will instruct us will vary depending on what type of financial service we are providing to you. We will agree on an appropriate means for you to provide us with instructions (for example, by telephone, facsimile, email or in person) before we provide you with any financial services.

Section 4

Fee Structure

A. How does RCR get paid?

In respect of its investment reports, RCR receives remuneration for individual subscriptions that cost between \$100 and \$2000 per quarter.

RCR may also receive remuneration from issuing companies for:

- coverage in those investment reports with fees typically under \$15,000 per issuer per quarter
- fees for specific services provided by RCR from time to time.

In addition, RCR may be paid commissions by brokers of up to 50% of the fee received by brokers because of RCR referring a client to that broker.

RCR may receive commission from underwriters, sponsoring brokers or issuing companies in respect of share placements to persons introduced by RCR. Those fees are negotiated on a case by case basis, but are generally in the range of 0.5% to 6% (plus GST) of the funds raised from persons introduced by RCR.

For example, if RCR arranged the placement of \$3m face value and was paid 1%, RCR would be paid \$30,000 (plus GST).

B. How do RCR's Authorised Representatives get paid?

RCR's representatives are remunerated by way of a share in the revenue earned by RCR based on a number of factors relating to their (and RCR's) overall performance during the year. Remuneration may be comprised as a component of base pay and bonus if the authorised representatives' performance and revenue thresholds are met.

Authorised representatives may on occasion be paid a consultancy fee directly by the issuing company.

Revenue share may range between 10% to 50% such that if attributable revenue is \$50,000 and revenue share is 10%, the authorised representative will receive remuneration of \$5,000.

Section 5

Associations and Relationships

A. Personal information

We recognise the importance of ensuring that you have confidence in the way we handle your personal information. Personal information, is any information about an individual that identifies the individual or by which their identity can reasonably be ascertained. We will collect personal information from you and use it to provide financial services to you.

We abide by the Australian Privacy Principles established under the Privacy Act 1998, as amended.

We may disclose your personal information to external contractors for the following purposes:

- email or postal notification of RCR research reports;
- causing statutory audits to be conducted as required by law;
- maintenance and service of our information technology systems; and
- in the course of reviews by external consultants.

You can be assured that your information will be maintained on a confidential basis by any contractor to whom it is disclosed. We do not disclose your personal information outside Australia. See our Privacy Policy at www.rcresearch.com.au for further information.

B. Association with other financial service providers

RCR has established relationships with other service providers such as brokers, advisors, research houses and issuers. This does not affect your rights and obligations that you have with RCR.

Section 6

Complaints

We want to know about any problems you may have with the services we provide to you so we can take steps to resolve the issue.

All complaints will be properly handled and investigated promptly. Should you still feel dissatisfied with the outcome, you may take your concerns to an external body for a resolution.

If you have a complaint about the financial services provided to you, please take the following steps:

1. Please contact the RCR Complaints Officer by telephone, facsimile, email or letter:

Complaints Officer: Attn: Compliance Officer

Office Location:

Level 21, 68 Pitt Street
Sydney NSW 2000
Australia

Telephone: +61 2 9439 1919

Email address: info@rcresearch.com.au

We have internal dispute resolution procedures that meet the essential elements of Australian Standard 4269-1995 and other minimum requirements set out in ASIC Policy Statement RG 165 (Licensing: Internal and External Dispute Resolution). A copy of these dispute resolution procedures may be obtained by contacting RCR and requesting a copy.

RCR has in place Professional Indemnity Insurance that is required by the Corporations Act and which meets ASIC's requirements and covers present and past representatives.

2. You may also complain in writing to: the Financial Ombudsman Service Australia (FOS) if lodged before 1 November 2018:

Online: www.fos.org.au

Email: info@fos.org.au

Phone: 1800 367 287

Mail: Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001; or

with the Australian Financial Complaints Authority (AFCA) if lodged on or after 1 November 2018:

Online: www.afc.org.au

Email: info@afc.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

RCR is a member of the complaints resolution scheme and its membership number is 12763.

3. If you are still dissatisfied with the outcome, then you can contact the Australian Securities and Investments Commission (ASIC) on 1300 300 630. This is a Freecall Infoline. This is another alternative that you may use to make a complaint and obtain information about your rights.