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For the offer of 50,000,000 New Shares at an issue price of A$0.40 each to raise A$20,000,000 and the offer of 12,500,000 Sale Shares by the Selling Shareholders at a sale price of A$0.40 each to raise A$5,000,000

LEAD MANAGER AND UNDERWRITER

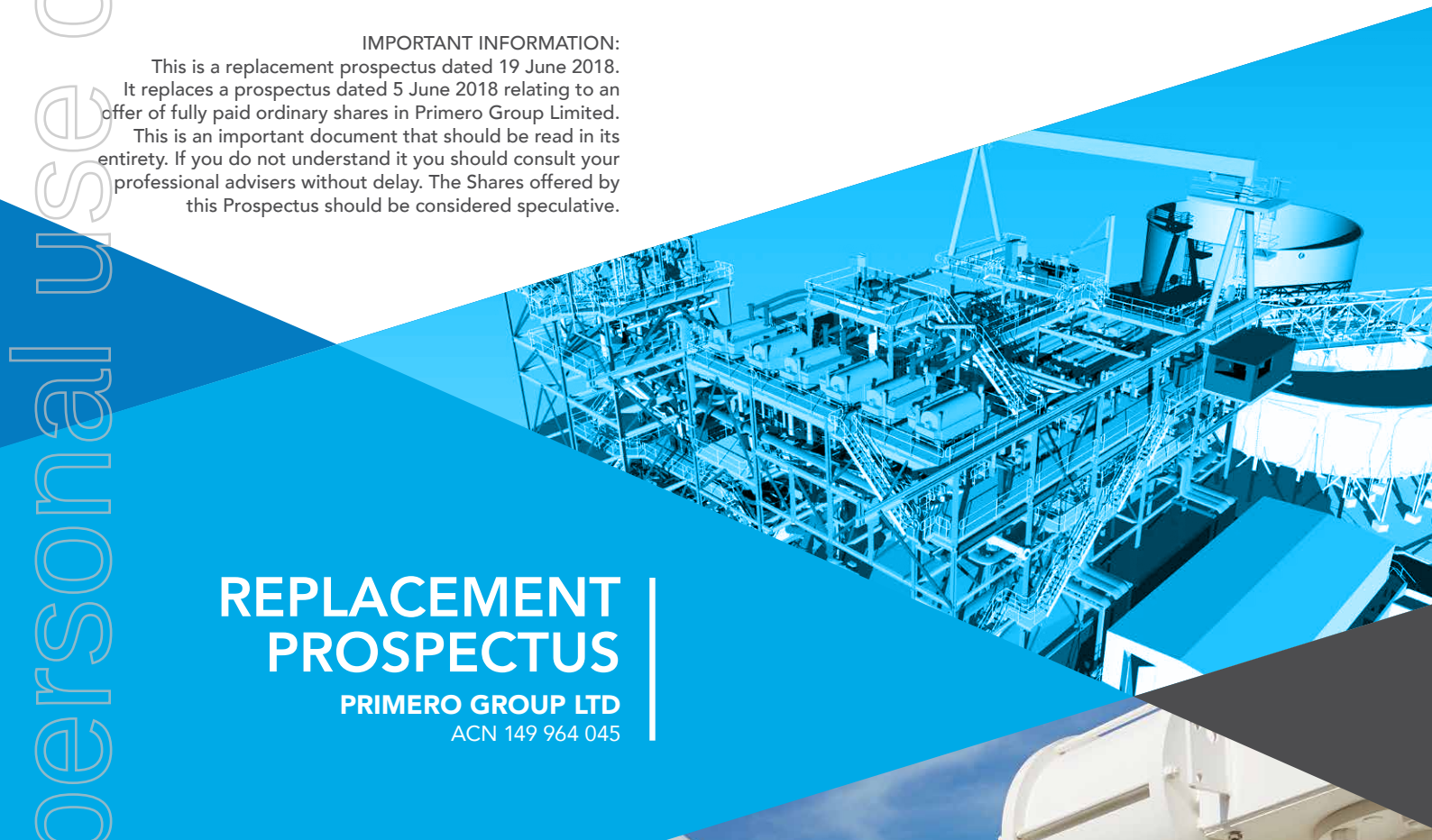
CANACCORDGenuity

LEGAL ADVISER

DLA PIPER

PRIMERO

IMPORTANT INFORMATION:
This is a replacement prospectus dated 19 June 2018. It replaces a prospectus dated 5 June 2018 relating to an offer of fully paid ordinary shares in Primero Group Limited. This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered speculative.



REPLACEMENT PROSPECTUS

PRIMERO GROUP LTD
ACN 149 964 045

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IMPORTANT NOTICE

Offer

The Offer contained in this replacement prospectus (**Prospectus**) is an invitation to you to apply for fully paid ordinary shares in Primero Group Limited (ACN 149 964 045) (**Company**). This Prospectus is issued by the Company and Primero Group SaleCo Limited (ACN 625 281 496) (**SaleCo**) for the purposes of Chapter 6D of the Corporations Act. The Offer contained in this Prospectus is an initial public offering comprised of an offer of New Shares being issued by the Company and Sale Shares being sold by Selling Shareholders via SaleCo.

Lodgement and Listing

This Prospectus is dated, and was lodged with ASIC on, 19 June 2018. It replaces the original prospectus issued by the Company dated 5 June 2018 and lodged with ASIC on that date. Application will be made to ASX within seven (7) days of the date of this Prospectus for admission of the Company to the official list of the ASX and for quotation of its Shares on ASX. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

The expiry date of this Prospectus is 5.00pm WST on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC.

No Shares will be issued or transferred on the basis of this Prospectus after that expiry date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. Neither the Company or SaleCo is licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Shares. There are risks associated with an investment in Shares and some of the key risks are detailed in Section 8. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares.

Except as required by law and only to the extent so required, no person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, SaleCo, their respective directors, the Lead Manager or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

Foreign Investors

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia. The Offer is not being extended to any investor outside Australia, other than to certain institutional investors as part of the Institutional Offer. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Shares being offered pursuant to this Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act.

See Section 10.7 for more details on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside Australia.

Financial Information and Amounts

Section 6 details the financial information referred to in this Prospectus and the basis of preparation of that information.

The Historical Financial Information included in this Prospectus has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, adopted by the Australian Accounting Standards Board, which are consistent with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Unless otherwise stated, all pro forma data in this Prospectus gives effect to the pro forma adjustments referred to in Section 6.11.

The Forecast Financial Information included in this Prospectus is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of presentation and presentation of the Historical Financial Information.

The Historical Financial Information and the Forecast Financial Information in this Prospectus should be read in conjunction with, and are qualified by reference to, the information contained in Section 6.

Forward-Looking Statements

This Prospectus contains Forecast Financial Information based on an assessment of present economic and operating conditions, and on a number of general and specific assumptions detailed in Section 6.4 regarding future events and actions that, as at the date of the Prospectus, the Company expects to occur.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and conditions as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due,", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target," "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

Consistent with customary market practice for initial public offerings in Australia, Forecast Financial Information has been prepared and included in Section 6 of this Prospectus and is an example of forward-looking statements.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and the Company's management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. As a result, any or all of the forward-looking statements and the Forecast Financial Information in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors detailed in Section 8, the general and specific assumptions in Section 6.4, the sensitivity analysis in Section 6.7 and other information in this Prospectus. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements or Forecast Financial Information.

Neither the Company nor SaleCo gives any assurance that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements or Forecast Financial Information.

These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise and may not publish prospective financial information in the future. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the date of the Prospectus.

Past Performance

This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at http://www.primero.com.au/. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from http://www.primero.com.au/. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Offer should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Exposure Period

In accordance with Chapter 6D of the Corporations Act, the original prospectus was subject to an exposure period of seven

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(7) days from the date of lodgement with ASIC (**Exposure Period**). This period was extended by ASIC for a further period of seven (7) days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to raising of funds under the Offer. Any Applications received during the Exposure Period will not be processed until after the end of that period. No preference will be conferred on Applications received during the Exposure Period.

Cooling Off Rights

Cooling off rights do not apply to an investment in Shares acquired under the Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus once it has been accepted.

Website

Any references to documents included on the Company's website are provided for convenience only, and none of the document or other information on the Company's website, or any other website referred to in this Prospectus, is incorporated in this Prospectus by reference.

Privacy Statement

By completing an Application Form, you are providing personal information to the Company and SaleCo through the Share Registry which will manage Applications on behalf of the Company. The Company and SaleCo, and the Share Registry on behalf of the Company, may collect, hold, use and disclose that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide the information requested in the Application Form, the Company and Share Registry may not be able to process your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may also share your personal information with agents and service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside Australia where personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail; and
- legal and accounting firms, independent auditors, contractors, consultants and other advisers for the purposes of administering, and advising on, the Shares and associated actions.

Information contained in the Share register will also be used to facilitate dividend payments (if any), corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to their personal information that the Company and Share Registry may hold about that person, subject to certain exemptions under law.

A fee may be charged for access. Access requests must be made in writing or by a telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as detailed in this Privacy Statement.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Contract Summaries

Summaries of contracts detailed in this Prospectus are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

Photographs and Diagrams

Photographs and diagrams used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "$" or "A$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 12.

Replacement Prospectus

This Prospectus is a replacement prospectus and makes changes to the original prospectus dated 5 June 2018. The material changes made to the original prospectus were:

- amending the "Key Offer Statistics" table on page 4;
- including a summary of the effect of the Offer on the capital structure of the Company in the Investment Overview in Section 1;
- including additional information to clarify the allocation of funds raised under the Offer from the issue of New Shares by the Company and sale of Sale Shares by SaleCo in Section 4;
- amending the "Sources and Uses of Offer Proceeds" table in Section 4.4 and including further explanatory information;
- including additional information on the control implications of the Offer in Section 4.9;
- including additional information in Section 6 to clarify the Financial Information;
- including additional information relating to the fees payable to the Lead Manager in Sections 4.4, 9.1 and 10.15; and
- amending the relevant parts of the Investment Overview in Section 1 to reflect the above changes.

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CORPORATE DIRECTORY IBC

LETTER FROM THE CHAIRMAN

On behalf of the Board, I am pleased to offer you an opportunity to invest in Primero Group Limited (**Primero** or the **Company**).

Primero is a leading engineering and contracting company specialising in providing engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions. The Company provides these services to a diverse client base ranging from mid-sized companies through to international mining and energy houses.

Founded in 2011, the Company is headquartered in Perth, with offices in Bibra Lake and Port Hedland, located in regional Western Australia and Montreal in Quebec, Canada. Primero currently employs a full-time workforce of approximately 120 professional, technical, managerial, supervisory and support personnel, in addition to approximately 200 directly employed site construction personnel and subcontractors.

The quality of Primero's management, client relationships and expertise within its core business divisions are all factors contributing to Primero's strong financial performance. As a result of these factors and the Company's demonstrated track record, Primero has experienced significant financial growth despite capital constraints. The Company is looking forward to the increased financial strength and profile that the initial public offering will deliver.

In FY17, Primero achieved revenue of A$52.1 million (representing revenue growth of 58.3% from FY16), earnings before interest, tax, depreciation and amortisation (**EBITDA**) of A$2.6 million and net profit after tax of A$1.2 million. In FY18, Primero forecasts revenue of A$79.9 million, pro forma EBITDA of A$8.6 million and a pro forma net profit after tax of A$4.7 million. This forecast growth is based on Primero's strong operational and financial performance to date and existing contracted work, with 98% of forecast FY18 revenue based on revenue earned to date and existing contracts, further details of which are detailed in Section 6 of this Prospectus.

The Offer will raise total proceeds of A$25 million, comprising an offer of New Shares and an offer of Sale Shares at A$0.40 each. The funds from the issue of 50 million New Shares will be used to enable Primero to fund future growth opportunities and to meet obligations on future contracted work. The offer of 12.5 million Sale Shares provides an opportunity for the Selling Shareholders to realise a portion of their existing investment in Primero and provide liquidity in the shares of Primero, while retaining a significant stake in the future of the business.

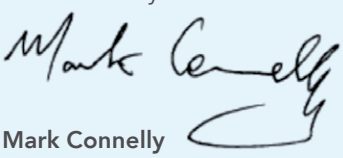
Following completion of the Offer, subscribers to the Offer will hold 43.8% of the issued share capital of Primero. The remaining Shares will be held by the Existing Shareholders. The Existing Shareholders have entered into voluntary escrow arrangements in respect of their retained shareholdings.

Along with providing Primero access to capital markets, the ASX listing will provide employees of Primero with the opportunity to participate in the ownership of Primero and will increase the awareness of Primero throughout the mining and energy industries. The Board believes that this will strengthen Primero's competitive position and continue to drive the growth of the Primero business over the years to come.

This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. I encourage you to read this document carefully and in its entirety before making an investment decision.

Together with my fellow Directors, I look forward to welcoming you as a shareholder of Primero.

Yours faithfully



Mark Connelly
Non-Executive Chairman

FIGURE: BALD HILL – SPODUMENE PROCESSING FACILITY

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KEY OFFER INFORMATION

IMPORTANT DATES	
Lodgement of original prospectus with ASIC	**Tuesday, 5 June 2018**
Lodgement of Prospectus with ASIC	**Tuesday, 19 June 2018**
Opening Date of the Offer	**Wednesday, 20 June 2018**
Closing Date of the Offer	**Wednesday, 27 June 2018**
Completion of the Offer	**Wednesday, 4 July 2018**
Expected despatch of holding statements	**Thursday, 5 July 2018**
Expected date for quotation and Shares begin trading on ASX on a normal settlement basis	**Friday, 6 July 2018**

DATES MAY CHANGE

The above dates are indicative only and may change. The Company and SaleCo, in agreement with the Lead Manager, reserve the right to amend any and all of the above dates without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to withdraw the Offer before Shares are issued by the Company or transferred by SaleCo). If the Offer is withdrawn before the issue and transfer of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

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KEY OFFER INFORMATION Continued

KEY OFFER STATISTICS	
Offer Price per Share	**A$0.40**
Proceeds to the Company from the issue of New Shares	**A$20,000,000**
Proceeds to the Selling Shareholders from sale of Sale Shares	**A$5,000,000**
Total proceeds under the Offer	**A$25,000,000**
Total number of Shares on issue as at the date of this Prospectus	**93,490,600**
Total number of Shares available under the Offer:	**62,500,000**
• New Shares to be issued; and	**50,000,000**
• Sale Shares to be sold by SaleCo	**12,500,000**
Number of Shares to be issued to the Lead Manager at Completion in lieu of cash fees	**625,000**
Number of Shares to be held by Existing Shareholders at Completion	**80,990,600**
Total number of Shares on issue at Completion(1)	**144,115,600**
Indicative market capitalisation(2)	**A$57,646,240**
Number of Lead Manager Options to be issued to the Lead Manager(3)	**2,000,000**
Total number of Options on issue at Completion	**2,000,000**

Notes:

(1) The total number of Shares on issue following Completion will be the sum of the total number of New Shares issued under the Offer, the number of Sale Shares sold by the Selling Shareholders (via SaleCo) under the Offer, the number of Shares retained by the Existing Shareholders and the number of New Shares issued to the Lead Manager in accordance with the Underwriting Agreement.

(2) At the Offer Price of A$0.40 per Share. The price at which the Shares trade on ASX may be above or below this amount.

(3) 2,000,000 Lead Manager Options will be issued to the Lead Manager as detailed in Section 9.1. The Lead Manager Options will expire three years from the date of issue, of which 1,000,000 Lead Manager Options will have an exercise price of A$0.50 per Lead Manager Option and 1,000,000 Lead Manager Options will have an exercise price of A$0.60 per Lead Manager Option and otherwise on the terms summarised in Section 10.14.

HOW TO INVEST

Applications can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are detailed in Section 4 and on the back of the Application Forms.

QUESTIONS

If you have any questions in relation to the Offer, please contact the Primero Information Line on 1300 420 177 (within Australia) or +61 02 8022 8575 (outside Australia) between 8.30am and 5.30pm (WST), Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

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01.
INVESTMENT OVERVIEW

01. INVESTMENT OVERVIEW

The information below is a selective overview only. Prospective investors should read this Prospectus in full before deciding whether to invest in the Shares the subject of the Offer.

A. COMPANY AND BUSINESS OVERVIEW

TOPIC	SUMMARY	MORE INFORMATION
What does the Company do?	Primero is a leading engineering and contracting company specialising in providing engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has a specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions.	Section 3
What are the key strengths and competitive advantages of the Company?	The Board considers that the key strengths and competitive advantages of the Company are as follows: • (**Experienced Team with Strong Client Relationships**): the Board and management team has extensive experience in the engineering sector, with strong relationships in the natural resources industries and a proven track record of successful project delivery; • (**Diversified and Integrated Service Offering**): the Company is able to provide services across the minerals and energy markets through the full development cycle, from initial design studies through to development and construction and on to operational support and maintenance; • (**Attractive Contracting Terms**): the Company provides integrated project solutions with flexible contract arrangements which are particularly attractive to junior and mid-sized resource companies, due to certainty of fixed price arrangements and scheduling as well as the ability to deliver innovative and high-quality project solutions; • (**Established Management Systems**): the Company's history of project delivery reflects its robust management systems which has enabled it to deliver favourable risk-reward outcomes and deliver projects on a profitable basis; • (**Geographic Positioning**): with offices in Perth, Bibra Lake and Port Hedland, the Company is well located to service Western Australia's mining, energy and infrastructure projects. The Company has also established a satellite office in Montreal, Quebec, Canada which is currently focussed on securing project design work, with the view to providing a competitive engineering service offering over time; and • (**Battery Materials Expertise**): the Company has been engaged by ASX-listed lithium companies, Galaxy Resources Ltd, Tawana Resources NL and Pilbara Minerals Ltd to complete large-scale engineering and project delivery contracts, enabling it to develop a growing expertise within the sector.	Section 3.5

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TOPIC	SUMMARY	MORE INFORMATION
What is the Company's growth strategy?	The Company is focused on growing its business and delivering sustainable earnings growth to its Shareholders. The Company aims to generate further growth through: • (**Geographical Expansion**): pursuing projects in attractive geographical regions for mining and energy projects in order to provide diversification of geographical risk and expand the project pipeline. A recent contract win with Wärtsilä Australia Pty Ltd (an Australian subsidiary of the Finnish company, Wärtsilä Corporation) in South Australia is testament to this strategic objective; • (**Commodity Diversification**): increasing its exposure to clients and projects across the full commodity spectrum, providing diversification and risk management benefits; • (**Increase Project Scale and Diversity**): growing its current client base and seeking new business opportunities by increasing the scale of projects it undertakes and increasing diversification through additional service offerings across the complete commodity and services spectrum; • (**Acquire Complementary Businesses**): identifying and pursuing acquisition opportunities over the medium to longer term, which are complementary to the Company's existing operations and can be successfully integrated; • (**Maintain and Develop Client Relationships**): implementing increased business development and marketing initiatives to continually develop and maintain strong client relationships; • (**Growth in Battery Materials Sector**): taking advantage of increased global battery production and consumption, with new development projects likely forming a key part of the Company's future project pipeline; and • (**Exposure to Smart Power Implementation):** due to large government programs to incentivise investment in and development of renewable energy projects, the installed capacity of solar and wind power generation is ever increasing. Primero has worked closely with Wärtsilä Australia Pty Ltd (an Australian subsidiary of the Finnish company, Wärtsilä Corporation – a major global energy solutions provider who are leaders in this technology) over the past three years to assist them implement their smart power technology into the Australian market, which has resulted in the award of the Barker Inlet Power Station contract.	Section 3.6
How does the Company expect to fund its operations?	The Company's principle sources of funds are expected to be cash flow generated from operations and cash on hand. The Company anticipates that it will have sufficient cash flow from existing operations to meet its operational requirements and business needs for at least 12 months from the date of the Offer. In addition, the Company has undrawn banking facilities of approximately A$2 million to meet additional operational requirements or to help fund potential growth opportunities that may arise.	Sections 4.4, 6 and 9.3

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TOPIC	SUMMARY	MORE INFORMATION
What is the Company's historical and forecast financial performance?		Section 6.3

	Historical			Forecast	
A$ million	Audited FY16	Audited FY17	Reviewed HY18	Forecast FY18	Pro Forma Forecast FY18
Revenue	32,939	52,140	41,168	79,913	79,913
EBITDA	2,252	2,632	4,401	8,611	8,611
EBIT	1,713	2,067	4,046	7,786	7,786
Profit before tax	1,359	1,662	3,920	7,591	7,591
Net profit after tax	955	1,151	2,727	5,309	5,309
Adjustments to forecast/ pro forma net profit – recurring expenses[1]				–	(605)
Forecast/pro forma net profit before one off listing costs[2]				5,309	4,704
Adjustments to forecast/ pro forma net profit – one off costs of listing[1]				(433)	–
Forecast/ pro forma net profit after tax[3]				4,876	4,704

Notes:

(1) Adjustments to reconcile net profit after tax to forecast or pro forma net profit after tax.

(2) Forecast/pro forma net profit before one off listing costs is the forecast/pro forma net profit after tax adjusted for recurring expenses, and before any one off costs associated with listing on the ASX.

(3) Forecast/pro forma net profit after tax is the forecast/pro forma net profit before one off expenses adjusted for one off costs associated with listing on the ASX.

The Forecast Financial Information for the Company has been prepared based on the actual results of the Company for the nine months to 31 March 2018 and forecasts for the remaining three months to 30 June 2018. Further details on the basis of preparation of the Forecast Financial Information is included in Section 6.2(d).

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TOPIC	SUMMARY	MORE INFORMATION
What is the Company's historical and forecast financial performance? *(cont.)*	The Pro Forma Forecast Financial Information for the Company has been derived from the Forecast Financial Information of the Company for FY18, adjusted on the basis that the Company has been listed on the ASX for the full FY18. Further details on the basis of preparation of the Forecast Financial Information is included in Section 6.2(c). The information presented above is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information detailed in Section 6 as well as the risk factors detailed in Section 8. Pro forma and statutory financial information varies and you should read Section 6 for full details of the Company's pro forma and statutory results and the underlying assumptions and accounting policies.	Section 6.3
Why is the Company seeking to raise funds?	The purpose of the Offer is to: • raise capital to fund future project pipeline and growth opportunities; • facilitate the sale of Sale Shares by the Selling Shareholders; • facilitate the listing of Primero on the ASX and to enable access to capital markets; and • provide a liquid market for Shares and an opportunity for employees and other persons to invest in Primero. The proceeds of the Offer will be applied to: • fund future projects and pursuing the Company's growth strategies as detailed in Section 3.6; • funding of bank guarantees; • the acquisition of Sale Shares from Selling Shareholders; and • pay the expenses of the Offer.	Section 4.4
How will the Company report to Shareholders on the performance of its activities?	The Company will send to its Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules. Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and will also be available on the Company's website at http://www.primero.com.au/.	Section 10.16
Will the Company pay dividends?	Subject to future business conditions, opportunities and the cash flow requirements of the Company, the Directors anticipate that the first dividend to Shareholders will become payable with respect to FY19 paying out between 40% and 60% of the Company's after tax profits. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend. The Company's dividend policy is detailed in Section 6.15.	Section 6.15

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B. INVESTMENT HIGHLIGHTS

TOPIC	SUMMARY	MORE INFORMATION
Strong market position	The Company is a leading Western Australian based engineering and construction firm servicing the mining, energy and infrastructure sectors, employing a cohesive team comprising approximately 120 office staff and approximately 200 site-based personnel and subcontractors. With a strong, long-term client base which includes top tier and mid-market resources companies, the Company is highly respected and generates significant amounts of repeat business.	Section 3
Diversified and integrated service model	The Company provides a multi-disciplinary contracting model with a fully integrated service offering from design through to construction, commissioning and operation across the minerals and energy sectors. The Company possesses the capability, systems and experience to provide solutions across the project life cycle, from inception test work through to operations and maintenance services, with a strong track record of "turn-key" service delivery for clients.	Section 3
Leveraged to the battery materials sector	The Company has specialist expertise in the battery materials sector – a rapidly growing segment of the global mining industry. The Company has been engaged by leading ASX-listed lithium development companies such as Galaxy Resources Limited, Tawana Resources NL and Pilbara Minerals Limited to complete significant contracts. A number of new Australian-based and overseas battery materials projects have also recently been approved/funded in response to conducive market conditions, of which several form a key part of Primero's project pipeline.	Section 3
Robust financial performance	The Company has experienced significant growth through a historically low contracting services period with revenue increasing by 58.3% and EBITDA increasing by 16.9% in FY17 compared to FY16. The Company also expects revenue and EBITDA to grow at 53.3% and 227.2% respectively from FY17 to FY18.	Section 6
Strong growth outlook	The Company has a strong track record for growth which is demonstrated through the historic growth of the number of projects on which the Company has been working and the growth in revenue over the same period. Based on the combination of a strong project pipeline with recent contract wins, commitment to geographical expansion opportunities and an ASX-listing to provide increased flexibility and capability to escalate project scale and pursue value-accretive corporate acquisitions, over the medium to longer term, the Company expects a strong growth outlook.	Section 3

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C. KEY RISKS

TOPIC	SUMMARY	MORE INFORMATION
What are the key risks of investing in the Company?	Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 8. • **Project Risk and Reliance on Key Clients and Contracts:** The Company derives the majority of its revenue at any given time from a concentrated number of substantial contracts which may be terminated, delayed or incur unforeseen costs in performance which may not be recoverable. Any delay or termination of the Company's material contracts, any breach by the Company of its obligations under the material contracts or the incurrence of unrecoverable costs during performance, may materially impact on the Company's performance. The Company is also potentially subject to warranty claims which may expose it to re-performance of its contractual obligations or additional costs. The Company is particularly exposed to risk in circumstances where it has agreed to an EPC contract where it may suffer loss in the event expenses exceed anticipated costings for the project. The Company constructs large and often complex processing plants which may operate under extreme conditions. The potential for failure of components is always present. If this failure results in a loss to the Company, the Company may have exposure to rectification of these failures which may result in a call on performance guarantees provided by the Company to its clients (if any), or in some cases, may exceed the quantum of any such performance guarantees. • **Contracting Risk:** The Company's business is generally characterised by large, long term fixed price contracts. The terms of these contracts typically include liability periods applicable to the Company for work performed (the limits of which vary from contract to contract), provision for payment of liquidated damages for late delivery and extensive indemnities are also provided by the Company. In most instances, clients have the power to unilaterally suspend or terminate contracts entered into with the Company by giving written notice. The suspension or early termination of contracts, for any reason, may mean that the Company will incur additional costs or not realise the full value of the contract, which is likely to adversely affect the growth prospects operating results and financial performance of the Company. • **Dependence on Key Personnel:** The Company depends on the expertise and experience of its personnel as its primary assets. The Company's ability to attract and retain personnel will have a direct correlation upon its ability to deliver its project commitments. Any failure to retain existing employees and recruit and retain additional personnel, may have a negative impact on existing operations and future growth prospects of the Company, and adversely affect the financial performance and/or financial position of the Company. • **Increased Competition from New and Existing Competitors:** The Company operates in markets that are competitive and in which a number of companies compete. Competition in these markets is expected to continue, presenting the Company with numerous challenges relating to its ability to maintain growth rates and acceptable margins. If the Company is unable to meet these competitive challenges, it may lose market share to its competitors and experience an overall reduction in its earnings.	Section 8

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TOPIC	SUMMARY	MORE INFORMATION
What are the key risks of investing in the Company? *(cont.)*	• **Ability to Win New Projects:** The Company's performance is influenced by its ability to win new contracts and complete projects in a timely manner. The failure of the Company to win new projects could adversely impact its growth prospects, operational results and financial performance. • **Cyclical Nature of the Business:** The Company's clients are involved in the oil and gas, mining and minerals processing industries. While conditions in these sectors are generally positive at present, the level of activity and profitability is cyclical and sensitive to a number of factors outside of the Company's control, such as movements in commodity prices. The Company is not able to predict the timing, extent or duration of these activity cycles which may affect the financial performance and/or financial position of the Company. • **Operating Risks:** The Company and its clients are exposed to a range of operational risks relating to both current and future operations. Whilst the Company endeavours to take appropriate action to mitigate any operational risks and, in some circumstances, insure against them, the Company cannot control the risks its clients are exposed to nor can it completely remove all possible risks relating to its own business. A disruption to the operations of the Company or its clients may have an adverse impact on the financial performance and/or financial position of the Company. • **Environmental Incidents and Claims:** The Company operates in industries where environmental issues may potentially impact on contract performance or result in a complete shutdown of the project, causing a deferral or preventing receipt of anticipated revenues. There could be claims against the Company if it is considered partly or wholly liable. Such issues may potentially impact the Company's reputation and financial position. • **Industrial Accidents:** Industrial accidents may occur with respect to the Company activities. In the event of a serious accident, for example resulting in a fatality, or a series of accidents on the same project, substantial claims may be brought against the client and/or the Company or the client may terminate their contractual arrangement with the Company. Such an accident could impact upon the Company's reputation, growth prospects and financial performance.	Section 8

D. DIRECTORS AND KEY MANAGEMENT

TOPIC	SUMMARY	MORE INFORMATION
Who are the Directors?	• Mr Cameron Henry (Managing Director); • Mr Mark Connelly (Non-Executive Chairman); • Mr Dean Ercegovic (Executive Director); • Mr Brett Grosvenor (Executive Director); and • Mr Luke Graham (Non-Executive Director).	Section 5.1

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TOPIC	SUMMARY	MORE INFORMATION
Who are the key management personnel of the Company?	• Mr Peter Grigsby (Engineering Manager); • Mr Ben Davies (Principal Design Manager); • Mr Jacques Parent (General Manager – Americas); and • Mr Ryan McFarlane (Chief Financial Officer and Company Secretary).	Section 5.2

E. SIGNIFICANT INTERESTS OF KEY PEOPLE AND RELATED PARTY TRANSACTIONS

TOPIC: Who are the Existing Shareholders and what will their interest in the Company be immediately following Completion?

SUMMARY:

	Shares held prior to Completion			Shares held following Completion	
Shareholder	**No. of Shares**	**%**	**Shares sold**	**No. of Shares**	**%**
Meesha Investments Pty Ltd(1)	27,395,200	29.30%	3,662,828	23,732,372	16.47%
Ravca Pty Ltd(2)	21,571,200	23.07%	2,884,140	18,687,060	12.97%
Prita Holdings Pty Ltd	16,233,000	17.36%	2,170,405	14,062,595	9.76%
Matuvi Enterprises Pty Ltd	12,572,000	13.45%	1,680,918	10,891,082	7.56%
Two Beanies Pty Ltd	5,278,000	5.65%	705,686	4,572,314	3.17%
Salvador Consulting Pty Ltd(3)	10,441,200	11.17%	1,396,023	9,045,177	6.28%
New Shareholders	–	–	–	63,125,000	43.80%
Total	**93,490,600**	**100%**	**12,500,000**	**144,115,600**	**100%**

Notes:

(1) Mr Cameron Henry is a beneficiary of, and has an indirect interest in, the 27,395,200 Shares held by Meesha Investments Pty Ltd ATF the Henry Family Trust (of which Mr Henry is a director).

(2) Mr Dean Ercegovic is a beneficiary of, and has an indirect interest in, the 21,571,200 Shares held by Ravca Pty Ltd ATF the Makarska Trust (of which Mr Ercegovic is the sole director).

(3) Mr Brett Grosvenor is the beneficiary of, and has an indirect interest in, the 10,441,200 Shares held by Salvador Consulting Pty Ltd ATF the B & U Family Trust (of which Mr Grosvenor is the sole director).

MORE INFORMATION: Section 4.5

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<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>MORE INFORMATION</th></tr>
<tr><td>What interests do the Directors have in the Securities of the Company?</td><td>
<table>
<tr><th>Director</th><th>No. of Shares held prior to Completion</th><th>No. of Shares held following Completion</th><th>Percentage shareholding following Completion</th></tr>
<tr><td>Cameron Henry</td><td>27,395,200</td><td>23,732,372</td><td>16.47%</td></tr>
<tr><td>Mark Connelly</td><td>Nil</td><td>Nil</td><td>0%</td></tr>
<tr><td>Dean Ercegovic</td><td>21,571,200</td><td>18,687,060</td><td>12.97%</td></tr>
<tr><td>Brett Grosvenor</td><td>10,441,200</td><td>9,045,177</td><td>6.28%</td></tr>
<tr><td>Luke Graham</td><td>Nil</td><td>Nil</td><td>0%</td></tr>
</table>
Directors may hold their interests in Securities show above directly or indirectly through holdings by companies or trusts.
</td><td>Section 5.5(e)</td></tr>
<tr><td>What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?</td><td>Directors and senior management are entitled to remuneration and fees on commercial terms as detailed in Section 5.5 and are entitled to participate in the Employee Incentive Plan as summarised in Section 10.5.

Advisers and other service providers are entitled to fees for services and other interests as details in Section 10.8.</td><td>Sections 5.5 to 5.7, 10.5 and 10.8</td></tr>
<tr><td>What contracts and/or arrangements with related parties is the Company a party to?</td><td>The only material contracts with related parties that the Company is party to are the executive services agreements and non-executive director appointment letters with each of the Directors for their engagement and deeds of indemnity, insurance and access with each of them.</td><td>Section 5.7</td></tr>
</table>

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TOPIC	SUMMARY	MORE INFORMATION
Will any Shares be subject to restrictions on disposal following Completion?	Yes. All Existing Shareholders have entered into escrow arrangements under which they will be restricted from disposing the Escrowed Shares they will hold immediately following Completion until expiration of the relevant escrow period. In total, 80,990,600 Shares held by the Existing Shareholders will be subject to voluntary escrow, of which: • 50% of the Escrowed Shares will be subject to escrow until the Company's audited financial accounts for FY19 are released to the market; and • 50% of the Escrowed Shares will be subject to an escrow period of 24 months from the date on which the Company is admitted to the Official List. Half of the Escrowed Shares subject to escrow until the release of the Company's audited financial accounts for FY19 will be eligible for early release where each of the following has occurred: • the Company releases to the market its reviewed financial accounts for HY19 and the VWAP of Shares on ASX for any consecutive ten trading day period, ending on or after the date on which the Company releases to the market its reviewed financial accounts for HY19, is 30% or more above the Offer Price; and • the Board approves the release of those Escrowed Shares. During the Escrow Period, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner or for an appropriate value.	Section 4.7

F. SUMMARY OF THE OFFER

TOPIC	SUMMARY	MORE INFORMATION
Who are the issuers of this Prospectus?	Primero Group Limited (ACN 149 964 045) (**Primero** or **Company**). Primero Group SaleCo Limited (ACN 625 281 496) (**SaleCo**).	Section 4.1
What is the Offer and what are its key terms?	The Offer is an initial public offering of 50,000,000 New Shares to be issued by the Company and 12,500,000 Sale Shares to be sold by SaleCo. All Shares will be issued or transferred at the offer price of A$0.40 (**Offer Price**) each to raise total proceeds of A$25,000,000 (before associated costs), of which A$20,000,000 will be raised from the issue of New Shares by the Company and A$5,000,000 from the sale of Sale Shares by SaleCo. The Shares being offered will represent approximately 43.8% of the issued share capital of the Company following Completion. A summary of the rights attaching to the Shares is detailed in Section 10.13.	Section 4.1
Who is SaleCo?	SaleCo is a special purpose vehicle established to enable Selling Shareholders to sell part or all of their investment in the Company on Completion.	Section 4.2

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TOPIC	SUMMARY	MORE INFORMATION
How is the Offer structured? Who is eligible to participate?	The Offer comprises: • the **Retail Offer**, which consists of: – the **Broker Firm Offer**, which is open to Australian resident retail clients of Brokers who receive a firm allocation of Shares from their Broker; and – the **Employee Offer**, which is open to Eligible Employees; and • the **Institutional Offer**, which consists of an offer to Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares.	Sections 4.3
What is the proposed use of proceeds received in connection with the Offer?	The Offer is expected to raise total proceeds of A$25,000,000. The following table shows the expected use of funds received from the Offer in the two year period following admission of the Company to the Official List:	Section 4.4

Item	A$	%
Cash proceeds received from the issue of New Shares	20,000,000	80.00%
Cash proceeds received from the sale of Sale Shares by SaleCo	5,000,000	20.00%
Total Funds Available	**25,000,000**	**100%**
Funds to pursue future growth opportunities	14,364,000	57.46%
Payment to Selling Shareholders	5,000,000	20.00%
Funding of Bank Guarantee Securities	3,000,000	12.00%
Canada Expansion	500,000	2.00%
Cost of the Offer	1,436,000	5.74%
Working Capital	700,000	2.80%
Total Funds Allocated	**25,000,000**	**100%**

A significant portion of the funds raised from the Offer (approximately 57.46%) will be utilised to fund the future growth of the Company, enabling it to deploy staff, procure materials, hire additional personnel and acquire plant and equipment to service future contracted work. Such funds will be held as cash reserves and deployed as the Company is awarded new contracts.

All the proceeds received by SaleCo for the sale of the Sale Shares will be paid to Selling Shareholders and will not be available for the purpose of Company activities.

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<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>MORE INFORMATION</th></tr>
<tr><td>What is the effect of the Offer on the capital structure of the Company?</td><td>A total of 62,500,000 Shares are available under the Offer, of which 50,000,000 New Shares will be issued by the Company and 12,500,000 Sale Shares will be sold by SaleCo. An additional 625,000 New Shares and 2,000,000 Lead Manager Options will be issued to the Lead Manager under the Lead Manager Offer.

The Company's capital structure as at the date of this Prospectus and immediately following Completion will be as follows:

<table><tr><th></th><th>No. of Securities as at the date of this Prospectus</th><th>No. of Securities immediately following Completion</th></tr><tr><td>Shares</td><td>93,490,600</td><td>144,115,600</td></tr><tr><td>Options</td><td>Nil</td><td>2,000,000</td></tr><tr><td>Total</td><td>93,490,600</td><td>146,115,600</td></tr></table>
The Shares offered under this Prospectus will represent approximately 43.8% of the Shares on issue on Completion. The remaining Shares will be held by the Existing Shareholders.</td><td>Section 4.6</td></tr>
<tr><td>Is the Offer underwritten?</td><td>The Offer is fully underwritten by the Lead Manager, Canaccord Genuity (Australia) Limited, in accordance with the terms of the Underwriting Agreement.

The Company will pay the Lead Manager an underwriting fee of A$750,000 and a selling and management fee of A$250,000, which is equal to 3% and 1% of the total funds raised under the Offer, respectively.

The Lead Manager is also entitled to an additional management fee of A$250,000, being 1% of the total funds raised under the Offer, such amount being payable through the issue of 625,000 New Shares (issued at the Offer Price) under the Lead Manager Offer.</td><td>Sections 4.16 and 9.1</td></tr>
<tr><td>Who is the Lead Manager?</td><td>The Lead Manager is Canaccord Genuity (Australia) Limited.</td><td>Section 4.10</td></tr>
<tr><td>What is the Lead Manager Offer?</td><td>The Company will issue 625,000 New Shares (representing an additional management fee equal to 1% of the total funds raised under the Offer) and 2,000,000 Lead Manager Options to the Lead Manager (and/or its nominees) in consideration for services provided in connection with the Offer. The Lead Manager Offer may only be accepted by the Lead Manager (and/or its nominees).

A summary of the rights attaching to the Shares and Lead Manager Options is detailed in Sections 10.13 and 10.14.</td><td>Section 4.16</td></tr>
</table>

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TOPIC	SUMMARY	MORE INFORMATION
Will the Shares be quoted on the ASX?	The Company will apply to ASX within seven days of the date of the Prospectus, for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code "PGX"). Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	Section 4.20
What is the allocation policy?	Save as detailed below, the allocation of Shares between the Retail Offer and the Institutional Offer will be determined by agreement between the Company, SaleCo and the Lead Manager and having regard to the allocation policy outlined in this Prospectus. With respect to the Broker Firm Offer, it is a matter for the Brokers as to how they allocate Shares among their eligible clients. Eligible Employees will be able to apply for Shares under the Employee Offer up to a maximum of A$10,000 per Eligible Employee. Applications under the Employee Offer must be for a minimum amount of A$2,000 worth of Shares and in multiples of A$500 thereafter. The aggregate total allocation to Eligible Employees under the Employee Offer is no more than A$1,120,000 worth of Shares. The Company, SaleCo and the Lead Manager reserve the right to reject any Application or bid, or to allocate to any Applicant or bidder, fewer Shares than the number, or the equivalent dollar amount, applied or bid for. In addition, the Company, SaleCo and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of applications).	Sections 4.10 to 4.12 and 4.15.
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer.	Section 4.10
How can I apply?	Applications under the Offer can be made by completing the Application Form, in accordance with the instructions accompanying the Application Form. To the extent permitted by law, an Application under the Offer is irrevocable.	Sections 4.11 and 4.12
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or around 5 July 2018.	Sections 4.10 and Important Dates on page 03

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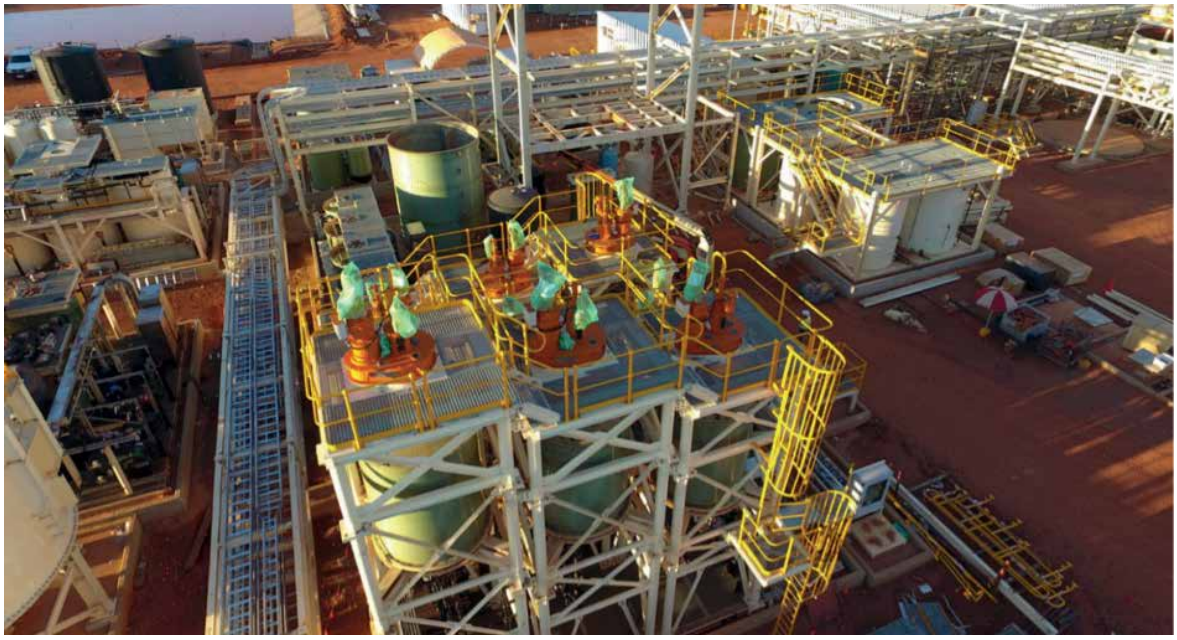
TOPIC	SUMMARY	MORE INFORMATION
When can I sell my Shares on the ASX?	It is expected that trading of Shares on the ASX will commence on or about 6 July 2018. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Sections 4.10 and Important Dates on page 03
Can the Offer be withdrawn?	The Company and SaleCo reserve the right to not proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be fully refunded. **No interest will be repaid on any Application Monies refunded as a result of the withdrawal of the Offer.**	Section 4.19
How can I obtain further information?	All enquiries in relation to this Prospectus should be directed to the Primero Information Line on 1300 420 177 (within Australia) or +61 02 8022 8575 (outside Australia) from 8.30am until 5.30pm (WST), Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.	Corporate Directory

FIGURE 1.1: BROWNS RANGE – HEAVY RARE EARTHS CONCENTRATOR



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02.
INDUSTRY OVERVIEW

02. INDUSTRY OVERVIEW

2.1 EXECUTIVE SUMMARY

Primero provides engineering consulting, construction and operational services to the resources and energy sectors in which the level of business activity is driven by the global supply and demand for mineral commodities. Commodity prices and mining activity are cyclical in nature. Current market fundamentals have resulted in strong demand and growth for engineering consulting, construction and operational services as provided by Primero.

2.2 SERVICES

The services that engineering consulting and construction companies typically provide to the resources and energy sectors include:

(a) engineering consulting for feasibility studies and project development;

(b) detailed design;

(c) project management and construction;

(d) project operations, maintenance, enhancement and support; and

(e) project retirement.

Consulting and construction services are typically conducted based on service or consulting agreements. Services are provided for various phases of project development from initial feasibility studies through to project definition and execution planning. Projects are then typically delivered through engineering, procurements and construction management (**EPCM**) contracts or engineering, procurement and construction (**EPC**) contracts.

For EPCM contracts, the contractors provide design services and project manages third party suppliers and construction contractors. EPCM providers typically receive a professional service fee based on hourly rates as well as incentive payments for project completion on time and within budget. EPC contract models vary but are based on the contractor being responsible for design, procurement and construction. Models range from "fixed price lump sum", where all the contract value risk lies with the contractor, through to cost under-run and over-run share contracts.

2.3 KEY INDUSTRY GROWTH DRIVERS

The key driver of demand for engineering consulting and construction services to the mining and energy sectors is the overall level of production and investment for energy and resources which is broadly linked to commodity demand and prices.

For certain specialist engineering companies, demand for particular commodities can also drive demand for specialist services. With respect to Primero, the battery materials sector is of particular significance.

(a) Australian Production Values

Australia has experienced strong growth in resources and energy production values over the last decade. In 2016-2017, export production values were approximately A$204 billion, with values expected to grow to approximately A$230 billion in 2018-2019. The major driver of the rise relates to developments in China and an overall improving global macroeconomic environment. These increases are ultimately supported by capital expenditure and investment decisions which drive growth for services delivered by companies like Primero.

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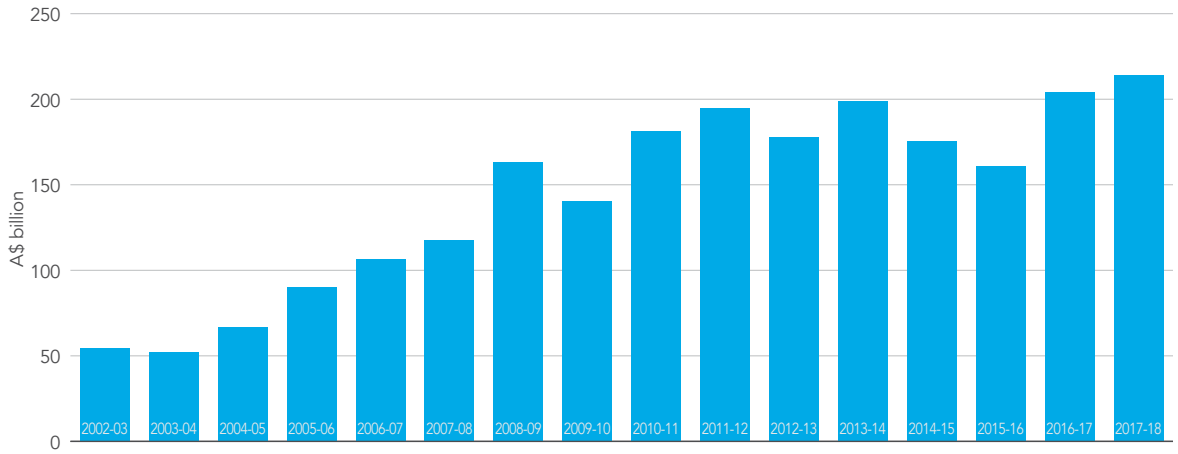
FIGURE 2.1: AUSTRALIA'S RESOURCES AND ENERGY EXPORT VALUES



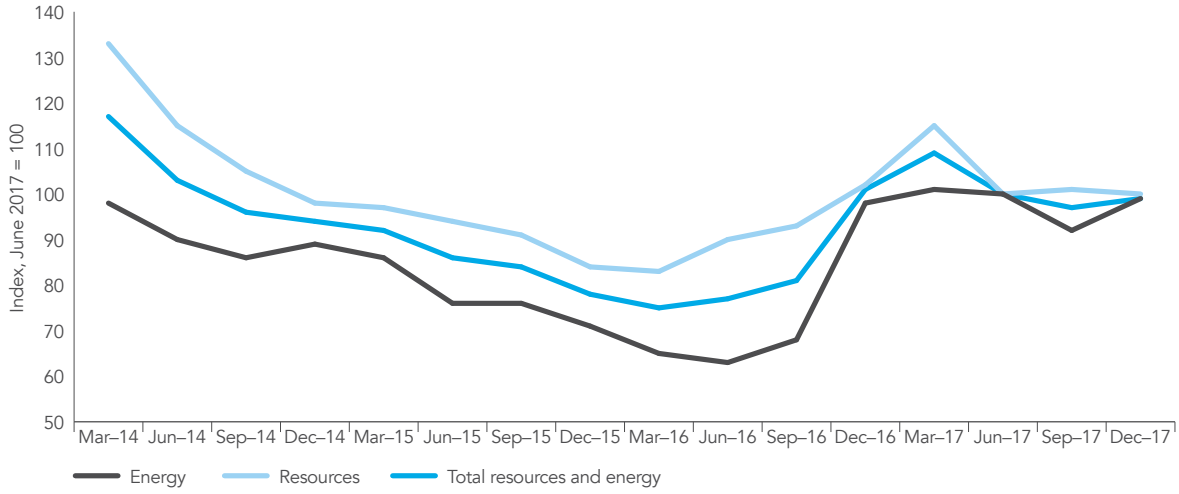
Source: Resources and Energy Quarterly (December 2017), Australian Government, Department of Industry, Innovation and Science

Despite the expanded production levels, a period of underinvestment in commodities project development has occurred since a peak in investment in 2012-2013. However, there are approximately 140 mining and energy projects in Australia in feasibility stage with a total capital expenditure equating to A$166 billion (Resources and Energy Quarterly (March 2018), Australian Government, Department of Industry, Innovation and Science).

(b) Commodity Pricing

There is a significant diversity of outlooks among the various commodities. Iron ore prices are projected to ease in the short term, as China reduces steel output. However, prices for other metals including copper, zinc and nickel will face upward pressure as global industrial production continues to rise. Aluminium is expected to see strong price accretion over the next five years, though this is largely driven by lower output from China, which is responding to pollution concerns. Increasing commodity pricing encourages investment in these sectors which may result in additional demand for mining and engineering service providers.

FIGURE 2.2: AUSTRALIA'S RESOURCES AND ENERGY EXPORT PRICES



Source: Resources and Energy Quarterly (March 2018), Australian Government, Department of Industry, Innovation and Science.

Note: The Commodity Price Index is weighted using each commodity's export unit values by its share of total export values.

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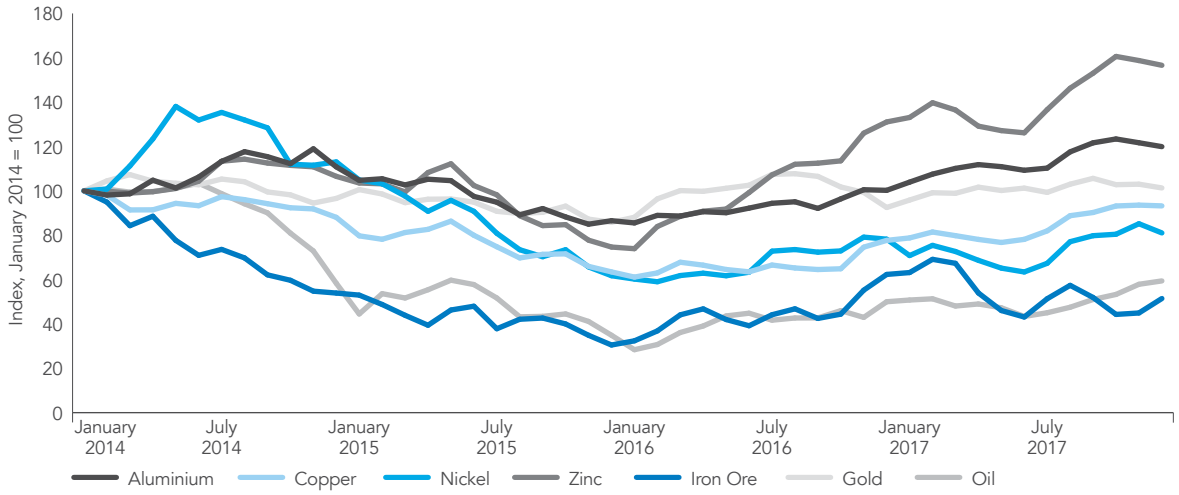
FIGURE 2.3: HISTORICAL COMMODITY PRICING



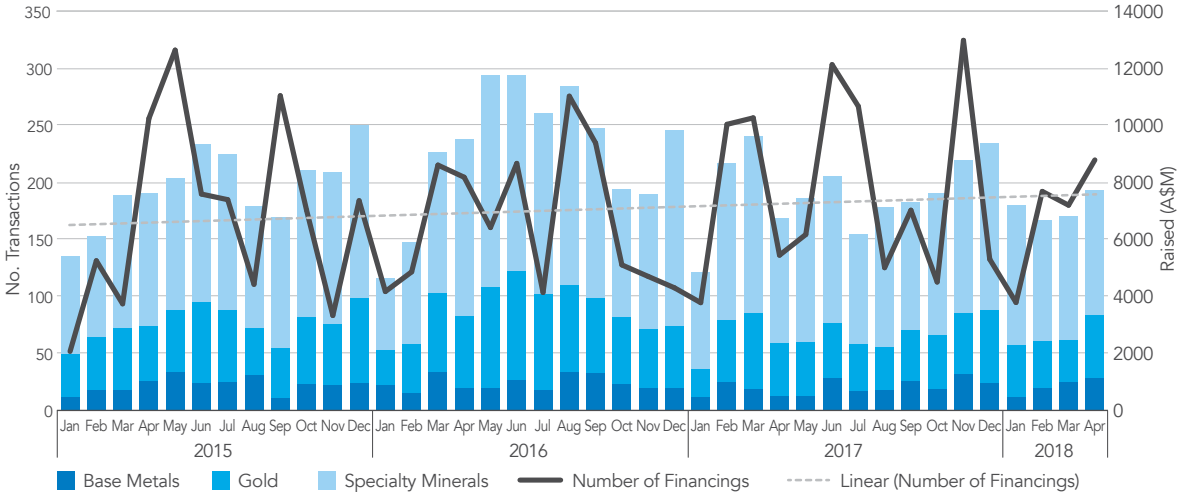
Source: Resources and Energy Quarterly (March 2018), Australian Government, Department of Industry, Innovation and Science.

(c) Levels of Mining Activity and Investment

Australia's Gross Domestic Product (**GDP**) grew by 0.4 per cent in the December quarter 2017, with the mining industry directly accounting for 2.6 per cent of the growth in Australia's GDP in the quarter.

Primero notes that equity raisings by mining companies have increased since January 2015 in both quantity and total amount of funds raised. Consequently, Primero believes that improved funding capacity (from existing cash flow and/or capital markets) will encourage mining and energy companies to develop new operations and expand existing operations, which is expected to increase demand for service providers such as Primero.

FIGURE 2.4: EQUITY RAISINGS – RESOURCES COMPANIES



Source: S&P Global Market Intelligence.

(d) Robust Demand for Outsourced Services

A key demand driver for Primero's service offering is the willingness of resources companies to outsource the design, construction and operation of projects, rather than relying on in-house capabilities. Primero believes that its target client base will continue to demand outsourced services for the reasons highlighted below.

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TABLE 2.1: KEY DRIVER FOR OUTSOURCED SERVICES

Access to technical & operational expertise	• Access to specialist, technical or operational expertise not readily available in-house • Relieve management of tasks viewed as "non-core"
Improved capital efficiency	• Service provider, manages capital flows through project development
Lower operating cost	• Lower operating costs due to service provider's benefits from scale, systems and strategic infrastructure
Operational flexibility	• Maintain flexibility with respect to equipment fleet and labour force • Potential of fast-tracking project enabling end-client to capitalise on favourable market conditions

Source: Primero Management.

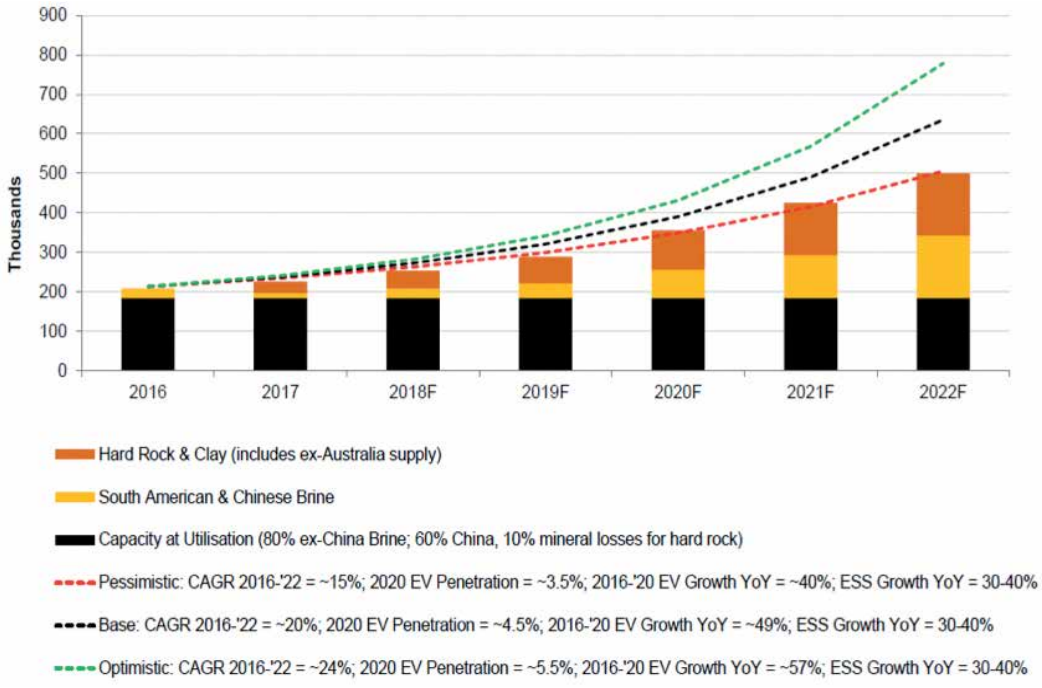
2.4 SPECIALIST SECTOR – BATTERY MATERIALS

Primero considers that the battery materials sector is a particularly attractive growth opportunity. A number of new Australia-based battery materials projects have recently been approved/funded in response to conducive market conditions. Lower lithium-ion battery costs are thought to make electric vehicles (**EV**) more affordable in the future whereby the adoption of EV technology for cars, buses and bikes would be aided by falling unit costs and improving technologies. Consequently, global battery consumption is expected to increase, placing pressure on the battery supply chain and the supply of key input commodities such as lithium, cobalt and nickel.

Primero is well placed to capitalise on future battery materials work in Australia and overseas given its specialist expertise and credentials.

Specifically, Primero has been engaged by ASX-listed lithium development companies such as Galaxy Resources Limited, Pilbara Minerals Limited and Tawana Resources NL, along with heavy rare earths developer Northern Minerals Limited to complete material engineering and project delivery contracts, highlighting its expertise within the sector. The Company believes that development projects within this sector will form a key part of its future project pipeline.

FIGURE 2.5: FORECAST LITHIUM SUPPLY AND DEMAND (LCE TONNES PER ANNUM)



Source: Internal Orocobre Limited Estimates, February 2018.

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2.5 COMPETITION

Engineering consulting and construction service providers generally compete on price, quality of services provided, operational track record and reputation, safety track record, capacity to provide services as well as the ability of the end client to undertake the project using in-house expertise.

There are a number of companies providing services to the markets in which Primero operates, but limited companies are focused or capable of providing integrated project solutions as Primero.

The key barriers to entry in the sector includes the technical, business and industry knowledge and enterprise, capital required to establish an operating base and for funding contracts, a strong track record and access to a team of experienced and well-qualified personnel.

FIGURE 2.6: BROWNS RANGE – HEAVY RARE EARTHS CONCENTRATOR

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03.
COMPANY AND BUSINESS OVERVIEW

03. COMPANY AND BUSINESS OVERVIEW

3.1 EXECUTIVE SUMMARY

Primero is a leading engineering contracting company specialising in providing engineering design and construction services to the minerals, energy and infrastructure sectors. Primero has a specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions.

Founded in 2011, the Company is headquartered in Perth, with regional offices in Bibra Lake and Port Hedland, Western Australia. The Company has also recently opened a satellite office in Montreal, Quebec, Canada as part of its geographical diversification strategy. Primero currently employs a full-time workforce of approximately 120 professional, technical, managerial, supervisory and support personnel, in addition to approximately 200 directly employed site construction personnel and subcontractors.

FIGURE 3.1: BROWNS RANGE – HEAVY RARE EARTHS CONCENTRATOR – ROTARY KILN INSTALLATION

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3.2 INDUSTRY SECTORS

Primero has developed its company strategy around services delivery to three main industry sectors that allow the business to be diversified in its income streams, client base and delivery capability. Throughout the Company's existence, the foundations and building blocks across all three sectors of minerals, energy and non-process infrastructure have been developed and proven by the execution of multi-disciplinary design and construction projects of various sizes and complexity.

The strategy was developed to ensure that Primero has competitive strength against other mid-sized competing companies, insulation against specific 'swings' in commodity prices and the ability to grow across multiple sectors in the growth cycles that follow.

MINERALS

Primero has clients across the minerals spectrum that require assistance to develop projects. Clients range from junior companies in the early stages of geochemical interpretation of ore bodies through to established mining companies that are expanding existing operations.

The continual development of in-house expertise in various upstream and downstream processing techniques enables Primero to assist clients with the various mineral processing phases.

Commodities include technical and industrial minerals, base metals, precious metals and minerals sands. Typical projects range in size from A$1 million to A$200 million in total capital expenditure.

ENERGY

The energy division services clients that operate onshore and offshore gas facilities. Our service offering includes pressure reduction, metering and compression, along with the development of gas and diesel power generation facilities. Primero also undertakes 'virtual' pipelines for the road transportation of gas and bulk storage. Our service offering within the energy division extends to commodities such as compressed and/or liquefied natural gas, condensates, oxygen, hydrogen and various other trace streams.

Energy projects range from engineering and design through to fabrication, installation and specialist inspections up to the value of A$100 million.

NPI

The non-process infrastructure division services mining and energy focused clients that have processing facilities or are developing mineral or energy projects. Our operations centre on workshops and maintenance facilities, fuel infrastructure, dewatering from pits and bores, bulk water storage and site supply, HV power supply and import/export facilities. The requirement to have local infrastructure to service operations provides a continued pipeline of works. Primero's non-process infrastructure work is predominantly sourced from established mining companies in the iron ore sector.

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3.3 CAPABILITIES

(a) Engineering and Design

Primero provides a full range of engineering services including design, fabrication, procurement, installation, testing and commissioning. Key capabilities at the engineering and design stage include:

(i) minerals process modelling and test work programs;

(ii) minerals processing feasibility studies from scoping level through to definitive/bankable feasibility study level – both NI-43101 and JORC/AUSIMM standards;

(iii) downstream hydrocarbons process design, including fluids and gas modelling and simulation;

(iv) front end engineering design;

(v) design for constructability, maintainability and operability;

(vi) hazard and operability studies, and hazard identification studies;

(vii) inspections and verifications;

(viii) safety in design;

(ix) 3D and BIM design;

(x) full plant detailed design;

(xi) modularisation and skidded design;

(xii) tie-ins and upgrades to existing infrastructure;

(xiii) dynamic and non-linear finite element analysis;

(xiv) crane and monorail certifications;

(xv) value engineering;

(xvi) piping stress and surge analysis;

(xvii) refurbishment and restart studies;

(xviii) generator selection and option studies;

(xix) power management and synchronisation;

(xx) protection design and co-ordination studies;

(xxi) network modelling and in-plant power system analysis; and

(xxii) electrical equipment in hazardous area classification, design, installation and commissioning.

FIGURE 3.2: MINERALS PROCESSING FACILITY – SPODUMENE/LITHIUM CONCENTRATOR

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(b) Project Management and Planning

Primero provides complete project management and project planning services including:

(i) contract management;

(ii) alternative contracting studies;

(iii) fabrication management and delivery;

(iv) project procurement, controls and planning; and

(v) construction management and supervision.

(c) Construction

Primero is able to provide a "one-stop" construction service via the provision of construction plants, tools and equipment including craneage, excavators, bobcats, multi-purpose trucks and vehicles, containerised workshops, offices and small trucks/utilities. The Company has provided construction services to clients in relation to resource plants and other infrastructure including heavy civil, structural, mechanical, piping, electrical and instrumentation.

Primero is able to deliver complete turn-key in-house services including:

(i) civil and structural;

(ii) mechanical and piping;

(iii) electrical and instrumentation;

(iv) control systems and integration;

(v) completions implementation;

(vi) performance testing;

(vii) inspections and verification; and

(viii) in-house patented commissioning software.

FIGURE 3.3: BALD HILL – SPODUMENE PROCESSING FACILITY

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(d) Civil and Concrete

Primero has successfully delivered foundation and structural concrete project solutions in relation to gas compressor stations, grinding mills and crusher foundations. Specifically, the Company's areas of expertise includes:

(i) onsite bulk earthworks;

(ii) drainage;

(iii) in-ground services installation;

(iv) detailed excavation;

(v) formwork manufacture and installation;

(vi) manufacture and installation;

(vii) manufacture of precast concrete elements;

(viii) reinforcing steel installation; and

(ix) concrete placement and finishing.

FIGURE 3.4: BROWNS RANGE – HEAVY RARE EARTHS PROCESSING FACILITY – CONCRETE INSTALLATION

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(e) Electrical, Instrumentation and Control

The Company undertakes electrical, instrumentation and control installations through the whole project lifecycle from conceptual design to commissioning and handover, and across a variety of sub-disciplines from high voltage to instrumentation and process control systems. Key capabilities include:

(i) high-voltage and low-voltage electrical reticulation;

(ii) hazardous area installation and testing;

(iii) power distribution;

(iv) industrial lighting and power;

(v) installation and commissioning of process control systems;

(vi) fuels management systems; and

(vii) project management and supervision.

FIGURE 3.5: RED GULLY – GAS AND CONDENSATE PROCESSING FACILITY – GAS EXPORT COMPRESSOR

(f) Structural, Mechanical and Piping

Primero has significant experience in providing structural and mechanical services, including piping disciplines with regard to fabrication and installation. Areas of expertise include:

(i) structural and platework fabrication and erection;

(ii) piping fabrication and site installation;

(iii) rotating equipment alignment and installation;

(iv) installation verifications;

(v) modularised structures; and

(vi) offsite fitting and testing.

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FIGURE 3.6: YARMANA GAS PRESSURE REDUCTION AND METERING SKIDS

(g) Commissioning

Primero provides multi-disciplinary implementation and support across both the mining and energy processing industries. Specialist services include:

(i) completion and commissioning strategy;

(ii) planning and implementation;

(iii) commissioning management and engineering support;

(iv) installation verification and compliance;

(v) performance testing;

(vi) inspections and verifications; and

(vii) patented commissioning tracking software.

FIGURE 3.7: RED GULLY GAS AND CONDENSATE PROCESSING FACILITY – WELL HEAD

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(h) Operations and Maintenance

Primero has the capability, systems and operational personnel to deliver complete incentivised operations and maintenance solutions for processing facilities. Our in-house operations team of control systems programmers, process operators, maintenance and reliability engineers, and maintenance and labour personnel give Primero the ability to deliver process support solutions for our clients.

Our operational scope includes:

(i) metallurgical accounting development and production reporting;

(ii) testing regimes and compliance;

(iii) preventative maintenance procedures;

(iv) process engineers, operators and management;

(v) safe work and operating procedures;

(vi) maintenance and shutdown personnel;

(vii) tooling, equipment and store's inventory; and

(viii) overall site management and mining integration.

FIGURE 3.8: PRIMERO FOR SAFETY

3.4 HISTORY OF STRONG GROWTH

Primero has experienced significant growth through a historically low contracting services period with revenue increasing by 58.3% and EBITDA increasing by 16.9% in FY17 compared to FY16. Primero also expects revenue and EBITDA to grow at 53.3% and 227.2% respectively from FY17 to FY18.

The majority of Primero's earnings have to date been derived from the delivery of Western Australian resources and infrastructure projects. The Company has a significant project pipeline consisting of projects where there is a reasonable likelihood of Primero being awarded a contract. As Primero continues to expand its operations, it is expected that the Company's earnings will become increasingly diversified both geographically and by commodity and the exposure to any one particular contract (at any given time) will be reduced.

The Company's historical and forecast financial performance, and revenue by key service type and commodity are presented in the graphs below.

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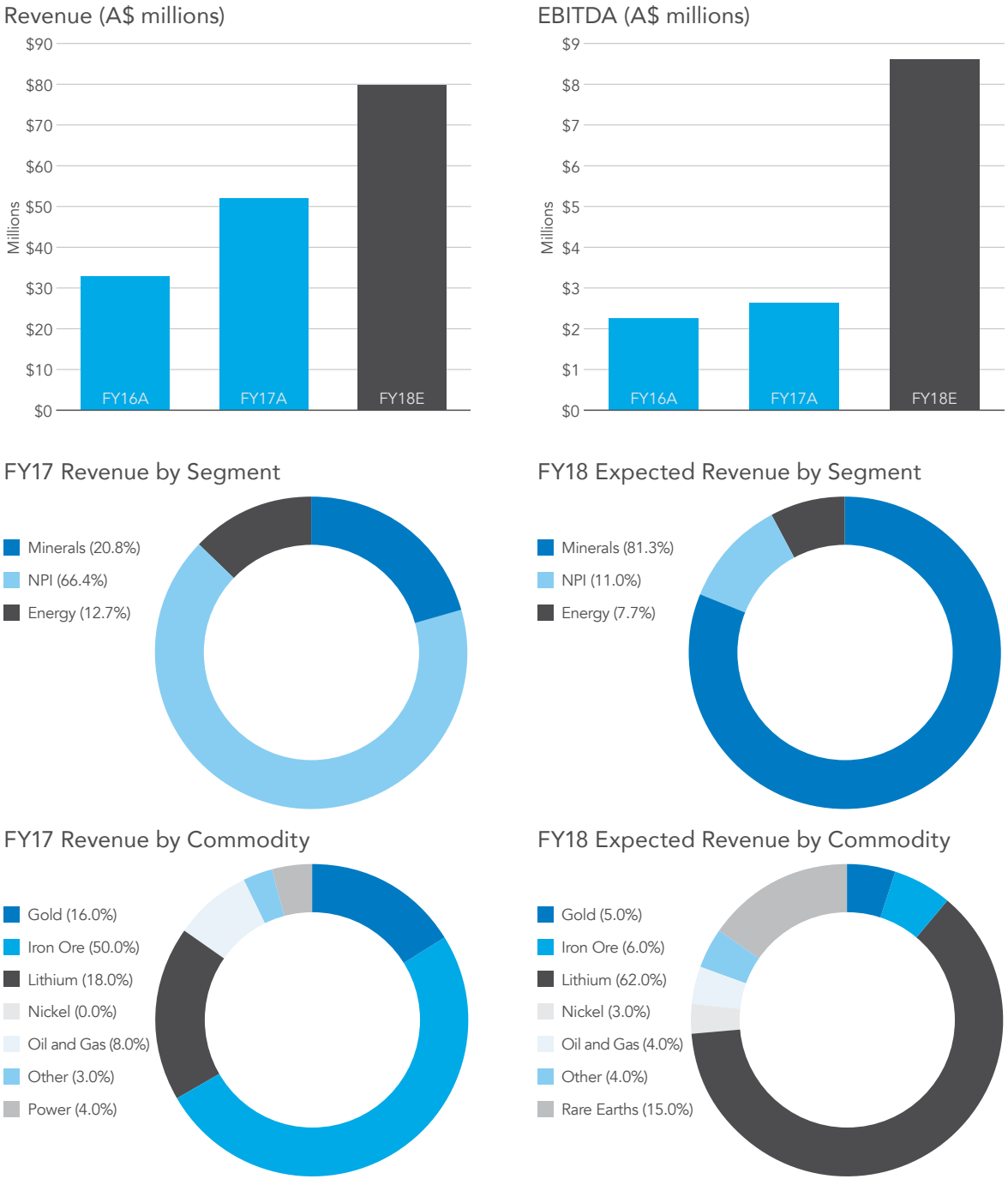
FIGURE 3.9: PRIMERO HISTORICAL AND EXPECTED REVENUE AND EBITDA



Source: Primero Management.

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3.5 COMPETITIVE ADVANTAGES

The Board considers that the key strengths and competitive advantages of the Company are as follows:

(a) Experienced Team with Strong Client Relationships

Primero's management team has extensive experience in the engineering sector. The team is highly respected with a proven track record of successful project delivery. The team has successfully developed and maintained strong client relationships throughout the natural resources industry, a key competitive advantage in securing new contracts and winning repeat business.

(b) Diversified and Integrated Service Offering

Primero's integrated business model enables the Company to deliver holistic solutions to its client base. Through this integrated offering, Primero has been able to differentiate by providing services across the full project development cycle, from project inception including feasibility studies through to complete design and development processes and also providing operations and maintenance solutions.

(c) Attractive Contracting Terms

Primero's ability to provide integrated project solutions with flexible contract arrangements reflecting client and project risk profiles is a key competitive advantage in winning projects and expanding the Company's project pipeline. Junior and mid-sized resource companies are particularly attracted to the certainty of fixed price arrangements and scheduling as well as the innovative and high-quality project solutions.

(d) Established Management Systems

Primero's history of successful project delivery reflects its robust management systems, which has enabled the Company to deliver favourable risk-reward outcomes and deliver projects on a profitable basis. For all projects, Primero undertakes detailed due diligence in order to limit the potential loss exposures and to ensure high quality standards are continually met.

(e) Geographic Positioning

With offices in Perth, Bibra Lake and Port Headland, Primero is well located to service Western Australia's mining, energy and infrastructure projects. This provides the Company with a competitive advantage through local knowledge, proximity and reputation. Primero's current operations provide the Company with a solid base to expand and diversify its geographical focus, and with the recent award of the Barker Inlet Power Station in Adelaide, will now commence an eastern Australian strategic plan. The Company has also recently opened a satellite office in Montreal, Quebec, Canada as part of its geographical diversification strategy. With a growing number of Australian companies developing mineral projects in North America, the office is already expanding at a rapid rate to service these client relationships.

(f) Battery Materials Expertise

Primero has been engaged by ASX-listed lithium companies such as Galaxy Resources Limited, Pilbara Minerals Limited, Neometals Limited, Northern Minerals Limited and Tawana Resources NL to complete large-scale engineering and project delivery contracts, highlighting its expertise within the sector.

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3.6 GROWTH STRATEGY

The Company is focused on growing its business and delivering sustainable earnings growth to its Shareholders. The Company has a strong track record of growth which is demonstrated through the historic growth of the number of projects on which the Company has been working (refer to Table 3.1 in Section 3.8) and the growth in revenue over the same period.

The Board is confident that the Company's market position and reputation will enable the Company's business to continue to grow through the award of new projects. In addition to growth through securing new projects, the Company aims to generate further growth as follows:

(a) Geographical Expansion

Primero will focus on pursuing business in attractive geographical regions for mining and energy projects in order to provide diversification of geographical risk and expand the project pipeline. A recent contract win with Wärtsilä Australia Pty Ltd (an Australian subsidiary of the Finnish company, Wärtsilä Corporation) in South Australia is testament to delivery on this strategic objective. Through the establishment of the Montreal office, and leveraging of existing relationships with both ASX and TSX listed companies, Primero has been able to achieve an accelerated and successful entry into the North American market, with a number of key minerals studies currently being delivered.

(b) Commodity Diversification

Primero has the ability to increase its exposure to clients and projects across the full commodity spectrum, providing diversification and risk management benefits. Primero's current project pipeline consists of projects within the following sectors: base metals; precious metals; battery materials; bulk commodities; upstream oil and gas; and downstream energy.

(c) Increase Project Scale and Diversity

Primero remains committed to growing with its current client base and seeking new project opportunities by increasing the scale of projects it undertakes and utilising additional project funding mechanisms such as bonding and bank facilities, to deliver these projects.

Primero will also look to diversify its service offerings across the complete commodity and services spectrum.

(d) Acquire Complementary Businesses

An ASX-listing will provide Primero with increased flexibility and capability to expand and diversify through strategic acquisitions. Primero will focus on identifying and pursing acquisition opportunities over the medium to longer term, which are complementary to the Company's existing operations and can be successfully integrated.

(e) Maintain and Develop Client Relationships

Primero will implement increased business development and marketing initiatives to continually develop and maintain strong client relationships. Primero sees these relationships as an integral part of its growth strategy as the Company seeks to secure additional work via both established and new clients that are maintaining, expanding or diversifying their operations.

(f) Growth in Battery Materials Sector

A number of new Australian-based and overseas battery materials projects have recently been approved/funded in response to conducive market conditions. Lower lithium-ion battery costs are thought to make electric vehicles more affordable in the future whereby the adoption of electric vehicle technology for cars, buses and bikes would be aided by falling unit costs and improving technologies. Consequently, global battery production and consumption is arguably set to increase, placing pressure on the battery supply chain and including the supply of key input commodities such as lithium, cobalt and nickel. The Company believes that development projects within this sector will form a key part of the future Primero project pipeline.

(g) Exposure to Smart Power Implementation

Due to government policies and programs to incentivise investment in and development of renewable energy projects, the installed capacity of solar and wind power generation is ever increasing. The increased instability of these sources requires stabilisation off the grid by form of flexible generation to respond rapidly to fluctuations in energy delivery. Primero has worked closely with Wärtsilä Australia Pty Ltd (an Australian subsidiary of the Finnish company, Wärtsilä Corporation – a major global energy solutions provider who are leaders in this technology) over the past three years to assist them implement their smart power technology into the Australian market, which has resulted in the award of the Barker Inlet Power Station contract. This is likely to be the first of a number of potential installations across Australia bringing this new technology into the national electricity market.

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3.7 CORPORATE HISTORY AND STRUCTURE

The Company was founded in 2011 by Messrs Cameron Henry, Peter Grigsby, Dean Ercegovic and Ben Davies, all of whom worked together prior to establishing Primero. Primero originally focussed on providing engineering, management and contractor expertise to Western Australian based resources clients which were not effectively serviced by the larger industry players. Primero grew to 25 staff within the first year of operations and the first office was outgrown within three months.

The Company also provides services through its wholly owned subsidiary, Primero Group Americas Inc., incorporated under the laws of Quebec, Canada. The subsidiary provides its services in North America from a satellite office in Montreal, Quebec, Canada which was opened as part of the Company's geographical diversification strategy and is currently focussed on securing project design work, with a view to providing a competitive engineering service offering over time.

Primero has experienced considerable growth since its establishment and currently employs a full-time workforce of approximately 120 professional, technical, managerial, supervisory and support personnel, in addition to approximately 200 directly employed site construction personnel and subcontractors.

3.8 PROJECTS

A selection of Primero's completed projects, which highlights the Company's expertise and capabilities, are presented below.

TABLE 3.1: SELECT COMPLETED PROJECTS

PROJECT	END CLIENT	COMMODITY	LOCATION	PRIMERO'S REVENUE	COMPLETED
Bald Hill Lithium Mine, Feasibility through to EPC	Tawana Resources	Lithium	WA	A$35m	2018
Mt Cattlin Construction, Commissioning and Maintenance	Galaxy Resources	Lithium	WA	A$5m	2017
Solomon Kings Valley Belt Filter & Spillage Recovery	Fortescue Metals	Iron Ore	WA	A$2m	2016
Hamersley Iron East Light Vehicle Wash Down Bay	Rio Tinto/ Hamersley Iron	Iron Ore	WA	A$1m	2016
Tujuh Bukit Heap Leach Gold Ore Preparation Plant	PT Bumi Suksesindo	Gold	Indonesia	A$2m	2016
Dampier Salt Dolphin Remediation	Rio Tinto/ Dampier Salt	Salt	WA	A$2m	2016
Cape Lambert Power Station Modifications & Upgrades	Rio Tinto	Power	WA	A$3m	2016
Solomon Workshop & Diesel Facilities	Fortescue Metals	Iron Ore	WA	A$9m	2016
Wheatstone Domgas Metering Facility	Chevron Australia/Direct Contract	Oil & Gas	WA	A$6m	2015
Cape Lambert Gas Pipeline & Station	Rio Tinto	Oil & Gas	WA	A$3m	2015
Broome Fuel Terminal Electrical & Gantry Upgrade	BP Australia	Oil & Gas	WA	A$5m	2015
Red Gully Gas and Condensate Processing Facility	Empire Oil and Gas	Oil & Gas	WA	A$13m	2014

Source: Primero Management.

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(a) Bald Hill Lithium Mine Feasibility through to EPC – Tawana Resources NL – 2018

Primero completed the design of the processing plant and was engaged to undertake a detailed feasibility study in the first quarter of 2017 with detailed design and procurement in May 2017. Primero was awarded the EPC contract in August 2017 for the 1.2 Mtpa dense media separation circuit and then followed on with the award for the design and construction of the non-process infrastructure works.

(b) Mt Cattlin Construction, Commissioning and Maintenance – Galaxy Resources Ltd – 2017

Primero was responsible for the finalisation of design, procurement, construction, commissioning and operation of the plant until the end of December 2016 when control of the plant was delivered to the client. Primero remained on site assisting the client maintain the plant and having the plant achieve nameplate capacity.

(c) Solomon Kings Valley Belt Filter & Spillage Recovery – Fortescue Metals Group Ltd – 2016

Primero was engaged to review the Kings Valley Ore Processing Facility, where belt filters were overflowing and product was falling onto the ground under the filters. Primero approached the issue with an innovative arrangement which helped reduce the plants' downtime and increase production.

(d) Hamersley Iron East Light Vehicle Wash Down Bay – Rio Tinto Ltd/Hamersley Iron Pty Ltd – 2016

Primero supplied and installed a new light vehicle wash bay facility. Primero's scope of work included project management, design input to tender drawings, procurement delivery to site, site survey works, underground services and decommissioning and demolition works of existing facility. Scope of works also included construction, commissioning and handover of all necessary earthworks, civil, structural, mechanical, electrical and control works.

(e) Tujuh Bukit Heap Leach Gold Ore Preparation Plant – PT Bumi Suksesindo – 2016

Primero was engaged by PT Bumi Suksesindo to complete the detailed design and procurement for the ore preparation portion of the Tujuh Bukit heap leach gold plant. The plant is located in the province of East Java, Indonesia and consists of a 4 Mtpa heap leach pad and processing facility to produce gold and silver.

(f) Dampier Salt Dolphin Remediation – Rio Tinto Ltd/Dampier Salt Ltd – 2016

The Karratha Dampier Salt facility allows 225 metre long ships to berth, moor and warp alongside the jetty that comprises of 7 dolphins. Primero were engaged to upgrade the dolphins to ensure their continual performance and longevity. Each dolphin comprises 10 piles to keep them firmly in position.

(g) Cape Lambert Power Station Modifications & Upgrades – Rio Tinto Ltd – 2016

Primero undertook modifications and upgrade works to two generator circuit breakers. Primero also managed the commissioning process from a power generation, safety and isolation perspective as the project progressed.

(h) Solomon Workshop & Diesel Facilities – Fortescue Metals Group Ltd – 2016

The project delivery included concept approval, detailed design, procurement, installation and commissioning.

(i) Wheatstone Domgas Metering Facility – Chevron Australia Pty Ltd/Direct Contract – 2015

The gas metering facility, construction and commissioning by Primero reduces pressure and appropriately meters gas flow into the power station. The project scope included the full turn-key delivery of civil, structural mechanical, piping electrical, controls and instrumentation works, and offsite testing and commissioning of the complete facility, which was assembled in Perth prior to shipping to site.

(j) Cape Lambert Gas Pipeline & Station – Rio Tinto Ltd – 2015

The project scope included civil, structural, mechanical, piping, electrical, instrumentation and control works including fabrication of all materials, off-site assembly and testing, on-site installation, testing and commissioning of the facility to be ready to receive gas for the power station.

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(k) Broome Fuel Terminal Electrical & Gantry Upgrade – BP Australia Pty Ltd – 2015

Primero were responsible for the procurement and fabrication of all materials for the project including pre-cast concrete, pipe supports and piping, and all electrical equipment required for the installation.

(l) Red Gully Gas and Condensate Processing Facility – Empire Oil & Gas NL, Fabrication, Construction & Commissioning – 2014

Primero was awarded the complete installation and commissioning of the 8Tj/day facility located just north of Perth. The installation comprised of well head tie back, on site stripping and gas coalescing and then compression and export of the gas to the Dampier to Bunbury pipeline. Condensate was separated and stored on site for truck load out. Commissioning and ramp-up of the facility was achieved in a very short timeframe due to the application of in-house systems to fast track the works.

Primero is party to a number of current contracts which provide for contracted revenue of approximately A$66.9 million in FY19. This contracted revenue is based on the assumption that:

- there are no significant or material change to the terms and conditions of the various relevant contracts (refer to Section 9.2) including the expected timing and scope of work to be undertaken;
- Primero and the relevant counterparties are able to perform and deliver on their respective contractual obligations, including the relevant clients meeting their financial commitments to Primero in accordance with the terms of the relevant contracts;
- no payments are withheld on the basis of disputed invoices issued by Primero;
- there are no significant disruptions or delays to the performance of works, including by force majeure events or environmental issues; and
- the contracts are not prematurely terminated either by reason of default or for convenience (noting that in most instances, clients have the power to terminate contracts entered into with the Company for convenience by giving written notice without providing any reason for doing so – refer to Section 9.2 for a summary of the material terms of the current contracts).

Based on the contracted revenue for FY19 and consistent with its growth strategy detailed in Section 3.6, Primero is targeting an EBITDA margin of 8-10% for FY19.

Investors should be aware that Primero does not give any assurance that it will receive the contracted revenue for FY19 referred to above as such contracted revenues are subject to the above assumptions, are predictive in nature and may differ materially from actual revenues ultimately achieved. In addition, even if Primero is able to perform its obligations under the relevant contracts and receive the contracted revenue, there is no guarantee that it will be able to do so on a profitable basis. Accordingly, investors should not place undue reliance on Primero's contracted revenue or that it is targeting an EBITDA margin in their decision whether to invest in the Company. Investors should refer to and carefully consider the risk factors detailed in Section 8 and the material terms of the current client contracts as summarised in Section 9.2.

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A selection of Primero's current projects are presented below.

TABLE 3.2: SELECT CURRENT PROJECTS

PROJECT	END CLIENT	COMMODITY	LOCATION	CONTRACTED REVENUE[1]	COMM-ENCED	TARGETED COMPLETION
Barker Inlet Power Station	AGL Barker Inlet	Power/ Energy	SA	~A$56m[2]	2018	September 2019
Bald Hill Lithium Mine – Operations & Maintenance	Tawana Resources	Lithium	WA	~A$18m[3]	2018	February 2020
Marandoo Southern Waste Fines Distribution Pipeline	Rio Tinto	Iron Ore	WA	~A$13.2m[4]	2018	February 2019
Infrastructure Modification Works	Rio Tinto	Iron	WA	~A$2.3m[5]	2018	September 2018
Sub-contractor for Labour Hire Services	Pilbara Minerals	Lithium	WA	~A$4m[6]	2017	July 2018
Tujuh Bukit – OPP Circuit Upgrade	PT Bumi Sukesindo	Gold	Indonesia	~A$1.5m[7]	2018	June 2018

Notes:

(1) The contracted revenue figures are for the term of each relevant contract, some of which will complete after FY19. Accordingly, the contracted revenue for FY19 referred to above (being A$66.9 million) is a proportion of the aggregate contracted revenue for the relevant contracts in Table 3.2.

(2) Subject to the assumptions detailed above, the Barker Inlet Power Station contract is expected to derive approximately A$56 million in contracted revenue, of which approximately A$2 million has or is expected to be received in FY18, with A$43 million expected to be received in FY19 and A$11 million expected thereafter.

(3) Subject to the assumptions detailed above, the Bald Hill Lithium Mine Operations and Maintenance contract is expected to derive approximately A$18 million in contracted revenue, of which approximately A$2.6 million has or is expected to be received in FY18, with A$9 million expected to be received in FY19 and A$6.4 million expected thereafter.

(4) Subject to the assumptions detailed above, the Marandoo Southern Waste Fines Distribution Pipeline contract is expected to derive approximately A$13.2 million in contracted revenue, of which approximately A$1.5 million has or is expected to be received in FY18 and A$11.7 million in FY19.

(5) Subject to the assumptions detailed above, the Infrastructure Modification Works contract is expected to derive approximately A$2.3 million in contracted revenue, of which approximately A$80,000 has or is expected to be received in FY18 and A$2.2 million in FY19.

(6) Subject to the assumptions detailed above, the Sub-contract for Labour Hire Services is expected to derive approximately A$4 million in contracted revenue, of which approximately A$3.3 million has or is expected to be received in FY18 and A$700,000 in FY19.

(7) Subject to the assumptions detailed above, the Tujuh Bukit Upgrade contract is expected to derive approximately A$1.5 million in contracted revenue, of which approximately A$1.2 million has or is expected to be received in FY18 and A$300,000 in FY19.

Source: Primero Management.

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(a) Barker Inlet Power Station – AGL Barker Inlet Pty Ltd

Primero was awarded a multi-discipline construction contract by Wärtsilä Australia Pty Ltd in relation to the construction of Australia's first utility-scale reciprocating engine power plant in Australia. The new plant, owned by AGL Limited will be located on Torrens Island, near Adelaide in South Australia. Primero's scope of works includes civil, structural, mechanical, piping, electrical, instrumentation and control works on the project including the design and construction of the site diesel and water storage tanks.

The project commenced in May 2018 and will conclude in September 2019. At completion, the project is expected to have resulted in over 300,000 man hours on site. Primero believes this contract is key to the strategic development of Primero's continued diversified service offering and capability.

(b) Bald Hill Lithium Mine – Operations & Maintenance – Tawana Resources NL

Post completion of the EPC contract at Bald Hill, Primero has been awarded a contract to operate and maintain the processing facility on site for a two year period. The award of this contract further demonstrates the business model of design, construct, operate that Primero now offers as a complete turn-key service to its clients.

(c) Marandoo Southern Waste Fines Distribution Pipeline – Rio Tinto Ltd

Primero is engaged to provide detailed structural, mechanical, piping and electrical design of all infrastructure associated with the waste fines pumping system and gland water system, decant system and underdrainage system.

(d) Infrastructure Modification Works – Rio Tinto Ltd

Primero is engaged to provide modification works to the heavy mobile equipment refuelling facility and other associated works as part of the West Angelas AHS Acceleration Project.

(e) Sub-contractor for Labour Hire Services – Pilbara Minerals Ltd

Primero is engaged for the provision of labour hire services in connection with the mechanical installation of a ball mill at the Pilgangoora lithium/tantalum project process plant.

(f) Tujuh Bukit Project – OPP Circuit Upgrade – PT Bumi Sukesindo

Primero has been awarded a contract to design a parallel ore preparation plant at the Tujuh Bukit Plant to increase the capacity of operation from 4 Mtpa to 8.2 Mtpa as part of an oxide expansion project pre-feasibility study.

In addition to the A$66.9 million of contracted revenue for FY19, Primero currently has a significant number of projects in its project pipeline.

Primero's project pipeline consists of projects from both established and new clients for which the Company believes there is a reasonable likelihood of the Company being awarded a contract to provide its services or it has been approached to submit a tender.

It is uncertain as to whether Primero will be awarded the contract for these projects, as is the financial impact on the Company that such an award may have. A fundamental objective of the Company's business development activity is to expand the project pipeline by demonstrating Primero's expertise and capability of delivering innovative and cost effective project solutions through increasing the scale of projects it undertakes and diversifying its service offerings.

3.9 PEOPLE

Primero's current workforce comprises approximately 120 professional, technical, managerial, supervisory and support personnel, in addition to approximately 200 directly employed site construction personnel and subcontractors. The mix of employees and subcontractors varies depending on the scope of work on a specific project. This structure enables Primero to retain flexibility to accommodate the multiple projects that the Company is involved in or tendering on while retaining key personnel to ensure the highest level of safety and client service are maintained.

All employees are introduced to Primero's culture through a comprehensive induction process and are provided with ongoing training in health, safety and the environment. Primero supports employees through continual improvement programs and by providing opportunities and encouragement to undertake on the job training and career development.

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3.10 HEALTH, SAFETY AND ENVIRONMENT

Primero is committed to the health and safety of its workforce and the protection of the environment in the provision of products and services. Primero values each individual employee and recognises that the duty of care, responsibilities and obligations are a reciprocal relationship between the Company and its workforce. Primero believes all injuries and occupational illnesses are preventable and its priority is to prevent any fatalities, injuries and/or illness arising during the course of employment.

TABLE 3.3: PRIMERO HEALTH AND SAFETY STATISTICS

	2014	2015	2016	2017	2018 YTD
Man hours	82,213	93,406	236,577	220,456	84,520
Lost Time Injuries	0	0	0	0	0
Restricted Work Injuries	0	0	0	0	0
Medical Treatment Injuries	1	0	0	1	1
Total Recordable Injury Frequency Rate (injuries per million hours worked)	12.16	0	0	7.35	11.8
First Aid (or no-treatment required) Injuries	**9**	**7**	**33**	**17**	**4**

Source: Primero Management.

3.11 QUALITY ASSURANCE

Primero strives to deliver "on-time", cost effective and high quality products and services that satisfy the diverse requirements of clients whilst maintaining the practice of "zero harm" to employees and the environment.

Primero has obtained the accreditation AS/NZS ISO9001: Quality Management Systems. This assists Primero to identify and meet both internal and external customer requirements and provide the framework for continuous improvement of the organisation's business activities.

FIGURE 3.10: BUREAU VERITAS MANAGEMENT SYSTEM CERTIFICATION

3.12 CORPORATE SOCIAL RESPONSIBILITY

Primero is committed to the goal of upholding business integrity and social responsibility by integrating and balancing social and economic considerations in our governance and decision making. The Company supports a culture of openness and trust in all management and business practices. Primero is committed to acting in good faith and exercise due care; to comply with relevant legislation and regulations, and to proactively promote ethical behaviour.

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04.
DETAILS OF THE OFFER

04. DETAILS OF THE OFFER

4.1 THE OFFER

This Prospectus relates to an initial public offering of New Shares by the Company and the sale of the Sale Shares by SaleCo at an offer price of A$0.40 per Share. The Offer contained in this Prospectus is an invitation to apply for:

(a) 50,000,000 New Shares offered by the Company raising proceeds of A$20,000,000 (before associated costs); and

(b) 12,500,000 Sale Shares offered by SaleCo raising proceeds of A$5,000,000 (before associated costs),

(collectively, **Offer**).

The Shares offered under this Prospectus will represent approximately 43.8% of the Shares on issue on Completion, being 144,115,600 Shares. All Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 10.13 for details of the rights attaching to Shares.

The Offer is made on the terms, and is subject to the conditions, detailed in this Prospectus. Refer to Sections 4.11 to 4.12 for details on how to apply for Shares under the Offer.

4.2 SALE OF SHARES BY EXISTING SHAREHOLDERS

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Sale Shares by the Selling Shareholders. Each of the Selling Shareholders have executed deeds in favour of, and for the benefit of, SaleCo under which they agree to sell their Shares to SaleCo free from encumbrances and third party rights, conditional on Completion.

The Sale Shares which SaleCo acquires from Selling Shareholders will be transferred by SaleCo to successful applicants at the Offer Price.

4.3 STRUCTURE OF THE OFFER

The Offer comprises:

(a) the **Retail Offer**, which consists of the:

  (i) **Broker Firm Offer**: which is open to Australian resident retail clients of Brokers who have received a firm allocation of Shares from their Broker (refer to Section 4.11); and

  (ii) **Employee Offer**: which is open to Eligible Employees to apply for Shares (refer to Section 4.12); and

(b) the **Institutional Offer**, which consists of an offer to Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares (refer to Section 4.15).

No general public offer will be made under the Offer. The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by agreement between the Company. SaleCo and the Lead Manager, having regard to the allocation policies detailed in Sections 4.11(d), 4.12(d) and 4.15(b).

The Offer will be fully underwritten by the Lead Manager. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager to terminate the Underwriting Agreement is detailed in Section 9.1.

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4.4 PURPOSE OF THE OFFER AND FUNDING ALLOCATION

The purpose of the Offer is to:

(a) provide Selling Shareholders with an opportunity to realise all or part of their investment in the Company by the sale of the Sale Shares through SaleCo;

(b) provide the Company with a capital structure, which, together with access to capital markets, will improve financial flexibility for future growth opportunities;

(c) provide a liquid market for its Shares and an opportunity for others to invest in the Company; and

(d) provide the Company with the benefits of an increased profile that arises from being a listed entity.

As at the date of this Prospectus the Company has cash reserves of approximately A$4,000,000.

The Board believes that its current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The following table shows the expected use of funds received from the Offer in the two year period following admission of the Company to the Official List:

TABLE 4.1: SOURCES AND USES OF OFFER PROCEEDS

Item	A$	%
Cash proceeds received from issue of New Shares	20,000,000	80.00%
Cash proceeds received from the sale of Sale Shares by SaleCo	5,000,000	20.00%
Total Funds Available	**25,000,000**	**100%**
Funds to pursue future growth opportunities	14,364,000	57.46%
Payment to Selling Shareholders	5,000,000	20.00%
Funding of Bank Guarantee Securities(1)	3,000,000	12.00%
Canada Expansion	500,000	2.00%
Cost of the Offer(2)	1,436,000	5.74%
Working Capital	700,000	2.80%
Total Funds Allocated	**25,000,000**	**100%**

Note:

(1) As is customary of the nature of the Company's operations, the Company has provided, and will continue to provide, bank guarantees where clients may demand payments from the Company's banking institution for amounts to rectify defects or expenses incurred in the course of re-performance of the Company's contractual obligations. Refer to Section 9.3 for a summary of the material terms of the existing material finance facilities utilised by the Company.

(2) Pursuant to the Underwriting Agreement, the Lead Manager is entitled to a management fee of A$250,000, being 1% of the total funds raised under the Offer, such amount being payable through the issue of 625,000 New Shares (issued at the Offer Price) under the Lead Manager Offer. Refer to Sections 9.1 and 10.15 for further details.

The Company has already invested sufficient capital and has sufficient cash reserves to execute the contracts it has been awarded (refer to existing material client contracts summarised in Section 9.2 for further details). As detailed above, a significant portion of the funds raised from the Offer (approximately 57.46%) will be utilised to fund the future growth of the Company, enabling it to deploy staff, procure materials, hire additional personnel and acquire plant and equipment to service future contracted work. Such funds will be held as cash reserves and deployed as the Company is awarded new contracts.

The Company operates in an industry in which it is not uncommon for there to be significant delays in the performance of contracted work or receipt of payment for services rendered. Such delay may arise due to a number of factors, resulting in the Company incurring unforeseen costs which may not be recoverable (refer to the risk factors detailed in Section 8). The funds raised from the Offer will assist the Company to alleviate the effects of any such delay.

As at the date of this Prospectus, the Company is unable to provide a more detailed breakdown of how these funds will be applied as the exact nature and amount of the required expenditure will not be known until new contracts are awarded to the Company.

All the proceeds received by SaleCo for the sale of the Sale Shares (which is expected to be A$5,000,000) will be paid to Selling Shareholders and will not be available for the purpose of Company activities. Refer to Section 4.5 for further details of the Selling Shareholders.

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the progress of the Company's activities. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8), actual expenditure levels may differ significantly to the above estimates.

4.5 SHAREHOLDING STRUCTURE

The details of the ownership of Shares immediately prior to and immediately following Completion are as follows:

TABLE 4.2: SHAREHOLDING STRUCTURE

	Shares held prior to Completion			Shares held following Completion	
Shareholders	**Number of Shares**	**%**	**Shares Sold by SaleCo**	**Number of Shares**	**%**
Meesha Investments Pty Ltd(1)	27,395,200	29.30%	3,662,828	23,732,372	16.47%
Ravca Pty Ltd(2)	21,571,200	23.07%	2,884,140	18,687,060	12.97%
Prita Holdings Pty Ltd	16,233,000	17.36%	2,170,405	14,062,595	9.76%
Matuvi Enterprises Pty Ltd	12,572,000	13.45%	1,680,918	10,891,082	7.56%
Two Beanies Pty Ltd	5,278,000	5.65%	705,686	4,572,314	3.17%
Salvador Consulting Pty Ltd(3)	10,441,200	11.17%	1,396,023	9,045,177	6.28%
New Shareholders	–	–	–	63,125,000	43.80%
Total	**93,490,600**	**100%**	**12,500,000**	**144,115,600**	**100%**

Notes:

(1) Mr Cameron Henry is a beneficiary of, and has an indirect interest in, the 27,395,200 Shares held by Meesha Investments Pty Ltd ATF the Henry Family Trust (of which Mr Henry is a director).

(2) Mr Dean Ercegovic is a beneficiary of, and has an indirect interest in, the 21,571,200 Shares held by Ravca Pty Ltd ATF the Makarska Trust (of which Mr Ercegovic is the sole director).

(3) Mr Brett Grosvenor is the beneficiary of, and has an indirect interest in, the 10,441,200 Shares held by Salvador Consulting Pty Ltd ATF the B & U Family Trust (of which Mr Grosvenor is the sole director).

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4.6 CAPITAL STRUCTURE

A total of 62,500,000 Shares are available under the Offer, of which 50,000,000 New Shares will be issued by the Company and 12,500,000 Sale Shares will be sold by SaleCo. An additional 625,000 New Shares and 2,000,000 Lead Manager Options will be issued to the Lead Manager under the Lead Manager Offer.

The Company's capital structure as at the date of this Prospectus and immediately following Completion will be as follows:

TABLE 4.3: CAPITAL STRUCTURE

	Number of Securities as at the date of this Prospectus	Number of Securities immediately following Completion[1]
Shares	93,490,600	144,115,600[2]
Options	Nil	2,000,000[3]
Total	**93,490,600**	**146,115,600**

Notes:

(1) The Company has established the Employee Incentive Plan (refer to Section 10.5 for details). The Company may issue up to 10% of the issued capital of the Company over a three year period to its employees, consultants and Directors (subject to requisite Shareholder approvals) under the Employee Incentive Plan. As at the date of this Prospectus, the Company has not issued any Employee Incentives under the Employee Incentive Plan. During the 12 month period following Completion, the Directors intend to issue approximately 8.6 million Employee Incentives under the Employee Incentive Plan which will represent up to approximately 5.6% of the enlarged issued capital of the Company following Completion.

(2) The total number of Shares on issue following Completion will be the sum of the total number of New Shares issued under the Offer, the number of Sale Shares sold by the Selling Shareholders (via SaleCo) under the Offer, the number of Shares retained by the Existing Shareholders and the number of New Shares issued to the Lead Manager under the Lead Manager Offer.

(3) 2,000,000 Lead Manager Options will be issued to the Lead Manager under the Lead Manager Offer. Refer to Section 10.14 for the terms of the Lead Manager Options.

The Shares offered under this Prospectus will represent approximately 43.8% of the Shares on issue on Completion. The remaining Shares will be held by the Existing Shareholders.

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4.7 VOLUNTARY ESCROW ARRANGEMENTS

All Existing Shareholders are subject to voluntary escrow arrangements. 50% of Escrowed Shares will be subject to escrow until the release of the Company's audited financial accounts for FY19 and the remainder of Escrowed Shares for a period of 24 months from the date on which the Company is admitted to the Official List.

TABLE 4.4: VOLUNTARY ESCROW ARRANGEMENTS

	Number of Shares held following Completion	Number of Shares Eligible for Early Release	Number of Shares Released from Escrow after the FY19 Results (including Early Release Shares)	Number of Shares Released from Escrow after 24 Months
Meesha Investment Pty Ltd	23,732,372	5,933,093	11,866,186	11,866,186
Ravca Pty Ltd	18,687,060	4,671,765	9,343,530	9,343,530
Prita Holdings Pty Ltd	14,062,595	3,515,649	7,031,298	7,031,298
Matuvi Enterprises Pty Ltd	10,891,082	2,722,771	5,445,541	5,445,541
Two Beanies Pty Ltd	4,572,314	1,143,079	2,286,157	2,286,157
Salvador Consulting Pty Ltd	9,045,177	2,261,294	4,522,589	4,522,589

Half of the Escrowed Shares subject to escrow until the release of the Company's audited financial accounts for FY19 will be eligible for early release where each of the following has occurred:

(a) the Company releases to the market its reviewed financial accounts for HY19 and the VWAP of Shares on ASX for any consecutive ten trading day period, ending on or after the date on which the Company releases to the market its reviewed financial accounts for HY19, is 30% or more above the Offer Price; and

(b) the Board approves the release of those Escrowed Shares.

Each Existing Shareholder has agreed to enter into an escrow deed in respect of their shareholding immediately following Completion, which prevents them from disposing of their respective Escrowed Shares for the applicable escrow periods as detailed above.

The restriction on 'disposing' is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Shares, encumbering or granting a security interest over the Shares (to the extent permitted by the deed as outlined in this Section 4.7), doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares or agreeing to do any of those things.

The Existing Shareholders may be released early from these escrow obligations to enable, in summary:

(a) the Existing Shareholder to accept an offer under a takeover bid in relation to its Escrowed Shares if holders of at least half of the Shares the subject of the bid that are not held by the Existing Shareholders have accepted the takeover bid; or

(b) the Escrowed Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act.

During the Escrow Period, Existing Shareholders whose Shares remain subject to escrow may dispose of any of their Escrowed Shares to the extent the disposal is required by applicable law (including an order of a court of competent jurisdiction) or to the extent the disposal is to an affiliate or affiliated fund entity or to a trust or entity which the Existing Shareholder controls where the transferee also enters into an escrow arrangement with the Company on substantially the same terms.

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4.8 PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

The Company's pro forma statement of financial position following Completion, including details of the pro forma adjustments, is detailed in Section 6.

4.9 CONTROL IMPLICATIONS OF THE OFFER

The Directors do not expect any Shareholder will:

(a) control (as defined by section 50AA of the Corporations Act) the Company on Completion; or

(b) acquire a relevant interest in the issued voting shares of the Company which will result in their voting power in the Company increasing:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%,

on Completion.

On Completion, approximately 56.2% of Shares will be subject to the voluntary escrow arrangement detailed in Section 4.7.

4.10 TERMS AND CONDITIONS OF THE OFFER

TOPIC	SUMMARY
What is the type of security being offered?	Shares, being fully paid ordinary shares in the Company.
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is detailed in Section 10.13.
What is the consideration payable for each security being offered?	The offer price is A$0.40 per Share.
What is the Offer period?	The key dates, including details of the Offer Period, are on page 03. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in WST. The Company and SaleCo, in agreement with the Lead Manager, reserve the right to amend any and all of these dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company or transferred by SaleCo). If the Offer is cancelled before the issue and transfer of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

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TOPIC	SUMMARY
What are the cash proceeds to be raised?	A$25,000,000 million is expected to be raised under the Offer, of which A$20,000,000 million will be paid to or at the direction of the Company and A$5,000,000 million will be paid to or at the direction of SaleCo.
Is the Offer underwritten?	Yes. Canaccord Genuity (Australia) Limited has fully underwritten the Offer in accordance with the Underwriting Agreement. Refer to Section 9.1 for further details.
Who is the Lead Manager for the Offer?	Canaccord Genuity (Australia) Limited.
What is the minimum and maximum Application size under the Offer?	The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker and there is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Lead Manager, the Company and SaleCo also reserve the right to reject any Application, allocate a lesser number of Shares than applied for or aggregate any Applications that they believe may be multiple Applications from the same person. Applications under the Employee Offer must be for a minimum of A$2,000 of Shares and in multiples of A$500 of Shares thereafter, up to a maximum of A$10,000.
What is the allocation policy?	The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by agreement between the Company. SaleCo and the Lead Manager, having regard to the allocation policies outlined in Sections 4.11(d), 4.12(d) and 4.15(b). For Broker Firm Offer participants, the relevant Broker will decide how it allocates Shares among its retail clients, and it (and not the Company, SaleCo or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from it receive the relevant Shares. Save as detailed below, the allocation of Shares under the Institutional Offer will be determined by agreement between the Company, SaleCo and the Lead Manager. Eligible Employees will be able to apply for Shares under the Employee Offer up to a maximum of A$10,000 per Eligible Employee. Applications under the Employee Offer must be for a minimum amount of A$2,000 worth of Shares. The allocation of Shares under the Employee Offer will be determined by the Company provided that those allocations (in aggregate) do not exceed A$1,120,000 worth of Shares. The Company, SaleCo and the Lead Manager have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than the number, or the equivalent dollar amount than applied for.
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 5 July 2018. Refunds to Applicants who make an Application and are scaled back will be made as soon as possible post Completion of the Offer, which is expected to occur on or about 4 July 2018. No refunds pursuant solely to rounding will be provided.

04. DETAILS OF THE OFFER Continued

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TOPIC	SUMMARY
Will the Shares be quoted on the ASX?	The Company will apply within seven days of the date of the Prospectus to ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code "PGX"). Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about 6 July 2018. **It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.** The Company, SaleCo, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from a Broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 4.7.
Has any ASIC relief or ASX waiver been sought or obtained?	Yes. Refer to Section 10.10.
Are there any tax considerations?	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, from a taxation view point and generally.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 10.8 for details of fees payable by the Company to the Lead Manager.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Primero Information Line on 1300 420 177 (within Australia) or +61 02 8022 8575 (outside Australia) from 8.30am until 5.30pm (WST), Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

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4.11 BROKER FIRM OFFER

(a) Who may apply

The Broker Firm Offer is open to retail clients of Brokers who received a firm allocation of Shares from their Broker and who have a registered address in Australia and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

(b) How to apply

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form, or download a copy at http://www.primero.com.au/. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (WST) on the Closing Date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Application Form with the Broker from whom they received their invitation to acquire Shares under this Prospectus. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions detailed on the reverse of the Application Form.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applicants under the Broker Firm Offer should contact their Broker about the minimum and maximum Application size. The Company, SaleCo and the Lead Manager reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

The Company, SaleCo, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9:00am (WST) on the Opening Date and is expected to close at 5:00pm (WST) on the Closing Date. The Company, SaleCo and the Lead Manager may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier time and date, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

(c) How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

(d) Allocation policy under the Broker Firm Offer

The allocation of Shares to Brokers will be determined by agreement between the Company, SaleCo and the Lead Manager. Shares that are allocated to Brokers for allocation to their clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of the Company, SaleCo and the Lead Manager to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company, SaleCo or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

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4.12 EMPLOYEE OFFER

(a) Who may apply

All Eligible Employees are entitled to participate in the Employee Offer. Eligible Employees are persons who are resident in Australia and are permanent full time employees of the Group or those determined by the Board to be eligible to participate in the Employee Offer.

(b) How to apply

Eligible Employees may apply for Shares online and must comply with the instructions at https://investor.automic.com.au/primerogroup.html. Applications under the Employee Offer must be for a minimum of A$2,000 of Shares and in multiples of A$500 of Shares thereafter, up to a maximum of A$10,000.

(c) How to pay

Eligible Employees can apply online with payment made electronically via BPAY®. Application Monies must be received by the Share Registry by 5.00pm (WST) on the Closing Date. Eligible Employees applying online will be directed to use an online Application Form and make payment by BPAY®. Eligible Employees will be given a BPAY® biller code and a customer reference number unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. Using the BPAY® details, Eligible Employees must:

(i) access their participating BPAY® Australian financial institution either via telephone or internet banking;

(ii) select to use BPAY® and follow the prompts; enter the biller code and unique customer reference number that corresponds to the online Application;

(iii) enter the amount to be paid which corresponds to the value of Shares under the online Application;

(iv) select which account payment is to be made from;

(v) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and

(vi) record and retain the BPAY® receipt number and date paid.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (WST) on the Closing Date. Eligible Employees should confirm with their Australian financial institution:

(i) whether there are any limits on the Eligible Employee's account that may limit the amount of any BPAY® payment; and

(ii) the cut off time for the BPAY® payment.

Eligible Employees can apply online by following the instructions at https://investor.automic.com.au/primerogroup.html and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

Eligible Employees may complete an Application Form which accompanies and forms part of this Prospectus. Eligible Employees must enclose a cheque, made payable to "Primero Group Ltd" and crossed "Not Negotiable", and mail or deliver both the Application Form (completed in accordance with the terms detailed in the Application Form) and the cheque to the address detailed on the Application Form by no later than 5.00pm (WST) on the Closing Date.

(d) Allocation policy under the Employee Offer

Applications under the Employee Offer must be for a minimum of A$2,000 of Shares and in multiples of A$500 of Shares thereafter, up to a maximum of A$10,000 per Eligible Employee, subject to an aggregate total allocation to Eligible Employees under the Employee Offer of A$1,120,000 worth of Shares.

To the extent that applications under the Employee Offer are received in excess of A$1,120,000, applications in excess of the minimum subscription amount will be subject to a scaled back number of Shares at the absolute discretion of the Board. The Company has absolute discretion regarding the allocation of Shares to Applicants in the Employee Offer and may reject an Application, or allocate fewer Shares than the number, or the equivalent dollar amount applied for. To the extent that Applications are not received for the full A$1,120,000 under the Employee Offer, the balance may be allocated to the Broker Offer.

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4.13 ACCEPTANCE OF APPLICATIONS UNDER THE RETAIL OFFER

An Application in the Retail Offer is an offer by you to the Company and SaleCo to apply for Shares at the Offer Price, on the terms and conditions detailed in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable.

An Application may be accepted by the Company and SaleCo in respect of the full amount, or any amount lower than that specified on the Application Form without further notice to the Applicant. The Company reserves the right to decline any Application if it believes any provisions or procedures in this Prospectus, the Application Form or other laws or regulations may not be complied with in relation to the Application.

The Company, SaleCo and the Lead Manager reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Retail Offer, or to waive or correct any errors made by the Applicant in completing their Application. In addition, the Company, SaleCo and the Lead Manager reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of applications).

The final allocation of Shares to Applicants in the Retail Offer will be at the absolute discretion of the Company, SaleCo and the Lead Manager. The Company, SaleCo and the Lead Manager may reject an Application, or allocate fewer Shares than the number, or the equivalent dollar amount applied for.

Successful Applicants in the Retail Offer will be allotted Shares at the Offer Price. Acceptance of an Application will give rise to a binding contract, conditional on settlement and quotation of Shares on ASX on an unconditional basis.

4.14 APPLICATION MONIES

Application Monies received under the Retail Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants.

Applicants under the Retail Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

4.15 INSTITUTIONAL OFFER

(a) Invitations to Bid

The Institutional Offer consisted of an invitation to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for Shares. The Lead Manager separately advised institutional Investors of the application procedures for the Institutional Offer.

(b) Institutional Offer Allocation Policy

The allocation of Shares among bidders in the Institutional Offer will be determined by agreement between the Company, SaleCo and the Lead Manager. Save as detailed below, the Lead Manager, the Company and SaleCo have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager. The allocation policy was influenced, but not constrained by the following factors:

(i) number of Shares bid for by particular Applicants;

(ii) timeliness of the bid by particular Applicants;

(iii) Company's desire for an informed and active trading market following Completion;

(iv) Company's desire to establish a wide spread of institutional Shareholders;

(v) overall level of demand under the Retail Offer and Institutional Offer;

(vi) size and type of funds under management of particular Applicants;

(vii) likelihood that particular Applicants will be long-term Shareholders; and

(viii) other factors that the Company and the Lead Manager consider appropriate.

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4.16 LEAD MANAGER OFFER

This Prospectus also includes an offer of 625,000 New Shares to be issued at the Offer Price (representing an additional management fee equal to 1% of the total funds raised under the Offer) and 2,000,000 Lead Manager Options to the Lead Manager (and/or its nominees) in consideration for services provided in connection with the Offer pursuant to the Underwriting Agreement.

All Shares issued upon conversion of the Lead Manager Options will rank equally with the existing Shares on issue. Refer to Section 10.14 for the terms of the Lead Manager Options.

The Lead Manager Offer is an offer to the Lead Manager (and/or its nominees) only.

Only the Lead Manager (and/or its nominees) can accept the New Shares and Lead Manager Options under the Lead Manager Offer. A personalised Application Form will be issued to the Lead Manager together with a copy of this Prospectus. The Company will only provide the Lead Manager an Application Form relating to the Lead Manager Offer.

4.17 UNDERWRITING

The Offer is fully underwritten. The Company, SaleCo and the Lead Manager have entered into an Underwriting Agreement under which the Lead Manager has been appointed as manager and underwriter of the Offer. The Lead Manager agrees, subject to certain conditions and termination events, to underwrite applications for all Shares under the Offer. The Underwriting Agreement includes a number of circumstances under which the Lead Manager may terminate the Underwriting Agreement and its underwriting obligations.

A summary of the material terms of the agreement and underwriting arrangements, including the termination provisions, is provided in Section 9.1.

4.18 RESTRICTION ON DISTRIBUTION

No action has been taken to register or qualify the Shares that are the subject of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia. The Offer is not an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdiction outside Australia and may only be distributed to persons to whom the Institutional Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

Each Applicant in the Retail Offer, as well as each person in Australia to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

(a) it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US securities laws;

(b) it is not in the United States;

(c) it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and

(d) it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction which Shares are offered and sold.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and undertakings detailed in the confirmation of allocation letter distributed to it.

For more information on the other selling restrictions which apply to the Offer, refer to Section 10.7.

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4.19 DISCRETION REGARDING THE OFFER

The Company may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

The Company, SaleCo and the Lead Manager also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the number, or the equivalent dollar amount than Applied or bid for.

4.20 ASX LISTING AND OFFICIAL QUOTATION

Within 7 days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be issued or transferred. If no issue or transfer is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

4.21 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shareholders issued to them, in much the same way as the holder of shares in an Australian incorporated ASX-listed entity would receive a holding statement in respect of shares. A holding statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) (in the case of a holding on the CHESS sub-register) or Security holder Reference Number (**SRN**) (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held by Shareholders. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

4.22 RISK FACTORS OF AN INVESTMENT IN THE COMPANY

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 8 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

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4.23 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, SaleCo, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

4.24 PAPER COPIES OF PROSPECTUS

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Primero Information Line on 1300 420 177 (within Australia) or +61 02 8022 8575 (outside Australia) for further details.

4.25 ENQUIRIES

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Primero Information Line on 1300 420 177 (within Australia) or +61 02 8022 8575 (outside Australia).

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05.
BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

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05. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

5.1 BOARD

The names and details of the Directors in office at the date of this Prospectus are:

(a) Cameron Henry – Managing Director

Mr Henry comes from a project development and operational background specialising in minerals processing and oil and gas projects across the globe. Mr Henry has over 15 years of extensive site based experience in both technical roles and also managing large portfolios at a senior level. With a trade background and formal tertiary qualifications in project management and mechanical engineering, Mr Henry brings to the Company significant experience from both technical and commercial aspects of projects.

During Mr Henry's time in project management, he has been involved in various projects up to the value of A$120 million across materials handling, compressor station facilities, hydrometallurgical processing projects and infrastructure. This experience encompasses both greenfield and brownfield environments within the base metals, precious metals, oil and gas, and power generation files.

Mr Henry is currently a non-executive director of ASX-listed Titan Minerals Limited and has been a member of the Australian Institute of Company Directors for over five years.

(b) Mark Connelly – Non-Executive Chairman

Mr Connelly has more than 27 years of experience in the mining industry, and has held senior executive positions with Newmont Mining Corporation and Inmet Mining Corporation. He has extensive experience in financing, development, construction and operation of mining projects in a variety of commodities including gold, base metals and other resources in West Africa, Australia, North America and Europe.

Mr Connelly was the former Managing Director and Chief Executive Officer of Papillon Resources Limited, a Mali-based gold developer which merged with Vancouver-based B2Gold Corp. Previously, he was Chief Operating Officer of Endeavour Mining Corporation following its merger with Adamus Resources Limited where he was Managing Director and CEO. Mr Connelly is currently non-executive Chairman of West African Resources Limited and Calidus Resources Limited and non-executive director of Ausdrill Limited and Tiger Resources Limited.

(c) Dean Ercegovic – Executive Director

Mr Ercegovic has nearly 20 years of experience in project managing ECP and EPCM contracts in mineral resources and energy sectors across Australia and neighbouring countries. His extensive experience within engineering and project management has seen the delivery of projects across the energy and minerals sector valued through to A$100 million.

In leading the Company's operations, Mr Ercegovic is directly responsible for the health, safety, environment, quality and support services of the Company. As the operations manager of the Company, he works in a 'hands on' position ensuring that the Company's project delivery strategy and implementation is upheld through the Company's individual project managers.

(d) Brett Grosvenor – Executive Director

Mr Grosvenor brings additional strength and capability to the Company across a range of commodities, including over 12 years' experience in the power industry. Mr Grosvenor has previously held senior and key roles in major national and international companies for both client and contractor sides such as Alstom, Laing O'Rourke, Sinclair Knight Mertz and Alinta Energy.

With a dual tertiary qualification in Engineering and a Master in Business, Mr Grosvenor is able to balance the business requirements with his understanding of site based technical engineering and construction issues to bring a significant level of expertise to the Group and its clients.

As a Director of the Company, his proven leadership skills, including managing, motivating other staff and team members has been invaluable in helping the Company achieve its business strategies and project objectives.

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(e) Luke Graham – Non-Executive Director

Mr Graham is an engineering professional with over 20 years' experience in the resources sector and has a broad range of international leadership, technical and commercial expertise in the execution of major engineering projects within the resources (mine and port) and industrial sectors, including mineral sands, coal, iron ore, copper, gold and alumina. Mr Graham has extensive experience in managing financial operational performance and achieving strong business growth in soft market conditions.

Mr Graham has served over 11 years in various senior leadership roles within the business. He recently joined ASX-listed mineral sands developer, Strandline Resources Limited as Chief Executive Officer and Managing Director and was formerly Regional Manager of global minerals engineering and project delivery company, Sedgman Pty Ltd.

5.2 SENIOR MANAGEMENT

(a) Ryan McFarlane – Chief Financial Officer and Company Secretary

Mr McFarlane is a Chartered Accountant with over ten years' experience in the business services and taxation industry providing advice to a range of small to medium enterprises as well as listed companies. Mr McFarlane's strengths include advising companies from a diverse range of industries on all aspects of their business including long and short term strategies, systems implementation, accounting, taxation and structuring matters.

As a graduate of the Institute of Companies Directors, Mr McFarlane has used these skills as Chief Financial Officer and Company Secretary of the Company since its incorporation.

(b) Peter Grigsby – Engineering Manager

Mr Grigsby is a working manager within the Company, focusing on the design engineering, evaluation and compliance side of the business. He is highly experienced and proficient within his specific discipline of structural engineering, together with a sound overall understanding of engineering principles and processes enables him to manage the Company's quality, efficiency and delivery of engineering work.

Mr Grigsby is an industry leader in efficient structural design and is always at the forefront of design optimisation and innovation. He is a Chartered Professional Engineer in both structural engineering and leadership and management. In addition, Mr Grigsby has received the Engineering Executive post-nominal for his years of engineering management and continued development of the profession.

(c) Ben Davies – Principal Design Manager

Mr Davies has over 15 years of extensive engineering experience specialising in design, construction and commissioning of plants locally and internationally. Mr Davies has managed the design deliverables for a variety of projects whilst leading teams within the mechanical arm.

During Mr Davies' time in the engineering field, he has been an integral part of multidiscipline teams on a diverse range of process plants, managing design engineering works, providing on-site engineering support, and commissioning plant and processes prior to final handover. Mr Davies' experience base is in "turn-key" process plant projects with involvement from design to final commissioning providing a whole life exposure to project delivery.

(d) Jacques Parent – General Manager – Americas

Mr Parent is an engineering manager with 30 years' of experience in the fields of general and project management, engineering management and high value execution locations. Jacques has spent the last ten years in Australia with the majority of those years being based in Perth as the group engineering manager at Lycopodium Minerals Limited. His experience spans across many disciplines and commodities with a focus in minerals processing and oil and gas.

Mr Parent's work in the Americas not only leads the group in Quebec and the projects based in and around the province, but also extends into the United States, Central America and South America. His background and proficiency in native French also ensures that the Americas office can be utilised to engage and complete works with French speaking clients. Mr Parent is also responsible for the Americas office's education and training programs and for preparation and implementation of quality assurance programs.

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5.3 DIRECTOR DISCLOSURES

Other than as detailed below, no Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last ten years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

In 2014, Mr Ercegovic was convicted for wilfully misleading a police officer in the discharge of that officer's duty. The charge was in connection with a speeding infringement in which Mr Ercegovic attempted to mislead the police officer of the identity of the driver. Mr Ercegovic was fined for the offence and no further charges were laid.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

5.4 INTERESTS OF DIRECTORS

No Director (or entity in which they are a director and/or a shareholder) has, or has had in the two years before the date of this Prospectus, any interests in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or

(c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(d) any Director to induce him or her to become, or to qualify as, a Director; or

(e) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus.

5.5 DIRECTORS' INTERESTS AND REMUNERATION

(a) Executive Directors' Remuneration

The Company has entered into an employment agreement with Mr Cameron Henry in respect of his employment as Managing Director of the Company. Refer to Section 5.6(a) for further details.

The Company has also entered into employment agreements with executive Directors Messrs Dean Ercegovic and Brett Grosvenor. Refer to Section 5.6(b) for further details.

(b) Non-Executive Directors' Remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director, or until so determined by its Shareholders general meeting. In addition, under the Listing Rules, the total amount of fees payable to all Directors for their services (excluding for these purposes, the remuneration of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. This amount has been capped by the Company at A$300,000 per annum. Any increase to that aggregate annual sum must be approved by Shareholders. Directors will seek approval of the Shareholders from time to time, as appropriate.

This aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company, which may be made in addition to or in substitution for the Director's fees.

The annual Directors' fees currently agreed to be paid by the Company to the Chairman (Mr Mark Connelly) and the non-executive Director (Mr Luke Graham) is A$60,000 and A$40,000, respectively (exclusive of mandatory superannuation contributions and GST).

Each non-executive Director is entitled to participate in the Employee Incentive Plan (as summarised in Section 10.5) as part of their engagement with the Company. Subject to the requisite Shareholder and regulatory approvals, Messrs Mark Connelly and Luke Graham are entitled to an annual grant of Employee Incentives under the Employee Incentive Plan to a value equivalent to 100% of their annual base salary, with such number of Employee Incentives based on the volume weighted average price of Shares for the five trading days prior to 1 July of each relevant year and subject to a three year expiry date (if applicable).

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(c) Deeds of Access, Indemnity and Insurance for Directors

The Company has entered into standard deeds of access, indemnity and insurance with each of the Directors. Pursuant to those deeds, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director during the period of their appointment and for seven years after the Director has ceased to be a Director. The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director has ceased to be a Director.

(d) Other Information and Interests

Directors may also be reimbursed for travel and other expenses reasonably incurred in connection with the performance of their duties as Directors. Directors may be paid such special remuneration as the Directors decide is appropriate where a Director performs extra work or services for or at the request of the Company. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

(e) Directors' Interests in Shares and Other Securities

Directors are not required by the Constitution to hold any Shares. The table below details the Directors' interests in Shares prior to and following Completion of the Offer.

TABLE 5.1: DIRECTOR SHAREHOLDING

Director	No. of Shares held prior to Completion	No. of Shares held following Completion	Percentage shareholding following Completion
Cameron Henry	27,395,200	23,732,372	16.47%
Mark Connelly	Nil	Nil	0%
Dean Ercegovic	21,571,200	18,687,060	12.97%
Brett Grosvenor	10,441,200	9,045,177	6.28%
Luke Graham	Nil	Nil	0%

Directors may hold their interests in Securities shown above directly or indirectly through holdings by companies or trusts.

The Shares held by or on behalf of Messrs Cameron Henry, Dean Ercegovic and Brett Grosvenor will be subject to voluntary escrow arrangements as detailed in Section 4.7.

All Directors are eligible to participate in the Employee Incentive Plan (as summarised in Section 10.5). As at the date of this Prospectus, the Company has not issued any Employee Incentives under the Employee Incentive Plan. However, subject to the requisite Shareholder and regulatory approvals, each Director is entitled to an annual grant of Employee Incentives under the Employee Incentive Plan to a value (based on the terms of their engagement with the Company) ranging from 30-100% of their annual base salary, with such number of Employee Incentives based on the volume weighted average price of Shares for the five trading days prior to 1 July of each relevant year and subject to a three year expiry date (if applicable). Refer to Sections 5.5(b), 5.6(a) and 5.6(b) for further details.

(f) Directors' Interests

Prior to entering into a letter of appointment in respect of his role as a non-executive Director, Mr Luke Graham was engaged as a consultant from June 2017. Mr Graham was engaged on a casual basis and received remuneration at a rate of A$1,800 per month (inclusive of superannuation). The consultancy arrangement ceased upon Mr Graham being appointed as a non-executive Director.

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5.6 EXECUTIVE REMUNERATION

(a) Managing Director

The Company has entered into an executive services agreement with Mr Cameron Henry in respect of his employment as the Managing Director of the Company. The principal terms of the executive service agreement are as follows:

(i) Mr Henry will receive a base salary of A$380,000 per annum, excluding mandatory superannuation contributions;

(ii) eligibility to receive an annual short term incentive up to a maximum of 50% of his base remuneration package for the relevant year, subject to achieving targets as against key performance indicators agreed between Mr Henry and the Board, or if they cannot be agreed, those reasonably identified by the Board for each relevant year;

(iii) eligibility to participate in the Company's new Employee Incentive Plan (as summarised in Section 10.5) and, subject to the requisite Shareholder and regulatory approvals, entitlement to an annual grant of Employee Incentives under the Employee Incentive Plan to a value equivalent to 100% of his annual base salary with such number of Employee Incentives based on the volume weighted average price of Shares for the five trading days prior to 1 July of each relevant year and subject to a three year expiry date (if applicable);

(iv) express provisions protecting the Company's confidential information and intellectual property;

(v) Mr Henry may terminate the agreement by giving 3 months' notice in writing to the Company; and

(vi) the Company may terminate the agreement (without cause) by giving 12 months' notice in writing to Mr Henry (or make payment in lieu of notice), unless the Company is terminating as a result of serious misconduct (or on other similar grounds) by Mr Henry, in which case no notice is required.

(b) Other Senior Management

All other senior management are employed under written terms of employment with the Company. The key terms and conditions of their employment include:

(i) total remuneration packages (excluding mandatory superannuation contributions);

(ii) the potential to receive an annual short term incentive payment ranging from 10-15% of their base remuneration package, subject to achieving targets as against key performance indicators agreed between the relevant senior management personnel and the Board, or if they cannot be agreed, those reasonably identified by the Board for each relevant year;

(iii) eligibility to participate in the Company's new Employee Incentive Plan (as summarised in Section 10.5);

(iv) express provisions protecting the Company's confidential information and intellectual property; and

(v) notice of termination of employment provisions with notice periods of 3 months by the relevant senior management personnel and 12 months by the Company.

In accordance with the terms of their engagement with the Company and subject to the requisite Shareholder and regulatory approvals, Messrs Dean Ercegovic, Brett Grosvenor and Ryan McFarlane are also entitled to an annual grant of Employee Incentives under the Employee Incentive Plan to a value equivalent to 50% of their annual base salary, with such number of Employee Incentives based on the volume weighted average price of Shares for the five trading days prior to 1 July of each relevant year and subject to a three year expiry date (if applicable).

A summary of the base annual salary packages for key management personnel is detailed below:

TABLE 5.2: SENIOR MANAGEMENT REMUNERATION

Executive	Position	Base annual salary package
Mr Cameron Henry	Managing Director	A$380,000
Mr Ryan McFarlane	Chief Financial Officer and Company Secretary	A$200,000
Mr Dean Ercegovic	Executive Director	A$320,000
Mr Brett Grosvenor	Executive Director	A$320,000
Mr Peter Grigsby	Engineering Manager	A$250,000
Mr Ben Davies	Principal Design Manager	A$215,000
Mr Jacques Parent	General Manager – Americas	A$240,000

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5.7 RELATED PARTY TRANSACTIONS

As at the date of this Prospectus, no material transactions with related parties and Directors' interests exist other than those disclosed in the Prospectus.

5.8 ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The ASX Corporate Governance Council has developed and released its third edition of the ASX Corporate Governance Principals and Recommendations (**Recommendations**) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The Recommendations are not prescriptions, but guidelines. However, under the Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed he Recommendations in the reporting period. Where the Company does not follow a recommendation it must identify the recommendation that it has not followed and provide reasons for not following it.

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at http://www.primero.com.au/.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

(i) providing leadership and setting the strategic objectives of the Company;

(ii) appointing and when necessary replacing the Executive Directors and the Managing Director;

(iii) approving the appointment and when necessary replacement, of other senior executives;

(iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director;

(v) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(vi) approving operating budgets and major capital expenditure;

(vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;

(viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate; and

(x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

05. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE Continued

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(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of the three Executive Directors (each of whom is a significant Shareholder) and two non-executive Directors (each of whom is independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Independence of the Board

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

In accordance with the Board Charter, it is intended that the Board will be comprised of a majority of independent directors. The Board considers an independent Director to be a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent and unfettered exercise of their judgement. The Board has adopted a definition of independence that is based on the definition in the Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board assesses independence of Directors upon appointment and annually through attestation from each Director.

The Board considers that each of Mr Mark Connelly, and Mr Luke Graham is free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the Recommendations.

Mr Cameron Henry is considered by the Board not to be independent on the basis that he is the Managing Director of the Company. Both Messrs Dean Ercegovic and Brett Grosvenor are also considered by the Board not to be independent on the basis that they are Executive Directors.

Accordingly, the Board will consist of two independent Directors. The Board considers that each of the non-executive Directors brings an objective and independent judgement to the Board's deliberations and that each of the non-executive Directors makes a valuable contribution to the Company through the skills they bring to the Board and their understanding of the Company's business.

(d) Ethical Standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent Professional Advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration and Nomination Committee

The remuneration of any Executive Director will be decided by the Board following the recommendation of the Remuneration and Nomination Committee, without the affected Executive Director participating in that decision-making process. The Remuneration and Nomination Committee is currently comprised of two non-executive Directors and one Executive Director.

The Constitution provides that the non-executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules). Until a different amount is determined, the amount of the remuneration is A$300,000 per annum.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

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The Remuneration and Nomination Committee reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) Risk and Audit Committee

The Company has established a Risk and Audit Committee which operates under a Risk and Audit Committee Charter which includes, but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function. The Risk and Audit Committee is currently comprised of two non-executive Directors and one Executive Director.

(h) External Audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors following the recommendation from the Audit Committee.

(i) Internal Audit

The Company does not have an internal audit function. The Board considers the Risk and Audit Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.

5.9 CORPORATE GOVERNANCE POLICIES

The Company has adopted the following policies, each of which has been prepared having regard to the Recommendations and is available on the Company's website at http://www.primero.com.au/.

(a) **Code of Conduct** – This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

(b) **Continuous Disclosure Policy** – Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

(c) **Risk Management Policy** – This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) **Securities Trading Policy** – The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(e) **Shareholder Communications Policy** – This policy details the practices which the Company will implement to ensure effective communication with its shareholders.

(f) **Diversity Policy** – The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

05. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE Continued

5.10 DEPARTURES FROM RECOMMENDATIONS

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

TABLE 5.3: ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS DEPARTURES

PRINCIPLES AND RECOMMENDATIONS	EXPLANATION FOR DEPARTURE
2.4 A majority of the board of a listed entity should be independent directors.	Whilst the Board Charter requires that, where practical, the majority of the Board to be comprised of independent Directors, the Board considers that only two (Mr Mark Connelly and Mr Luke Graham) of the five Directors are independent Directors and, accordingly, the Company does not currently satisfy Recommendation 2.4. Whilst the Board intends to canvass experienced candidates to be appointed as independent Directors in due course, the Board considers that the current size of the Company does not justify the costs associated with appointing additional independent Directors without further merit.
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge required to perform their roles a directors effectively.	Upon appointment, new Directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively. The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6
4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive directors.	Whilst the Board has established a Risk and Audit Committee which is constituted by a majority of non-executive, independent Directors, given that there are only two non-executive Directors on the Board as at the date of the Prospectus, the Company is currently unable to satisfy the requirement in sub-paragraph 4.1(a)(1) of Recommendation 4.1 which recommends the Audit Committee be comprised of solely non-executive Directors. The Company otherwise satisfies the other requirements of Recommendation 4.1.
6.2 Design and implement an investor relations program to facilitate communication with shareholders.	The Company has not adopted a formal investor relations program, however it does seek to inform investors of developments regularly by communication through ASX announcements and by providing information on its website. Investors are encouraged to attend the Company's security holder meetings, and are able to contact management by email primerogroup@automic.com.au or by phone +61 8 6500 9500.

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06.
FINANCIAL INFORMATION

06. FINANCIAL INFORMATION

6.1 INTRODUCTION

The financial information detailed in this Section consists of:

(a) the historical financial information comprising:

(i) the audited consolidated statements of profit or loss for FY16 and FY17 and the reviewed consolidated statement of profit or loss for HY18 (**Historical Statements of Profit or Loss**);

(ii) the audited consolidated statements of cash flows for FY16 and FY17 and the reviewed consolidated statement of cash flows for HY18 (**Historical Statements of Cash Flows**); and

(iii) the reviewed consolidated statement of financial position of the Company and its controlled entities as at 31 December 2017 (**Historical Statements of Financial Position**),

(together, the **Historical Financial Information**);

(b) the pro forma financial information comprising the pro forma statement of financial position as at 31 December 2017 reflecting the Directors' pro forma adjustments (**Pro Forma Statement of Financial Position**); and

(c) the forecast financial information comprising:

(i) the forecast Statement of Profit or Loss for FY18 (**Forecast Statement of Profit or Loss**); and

(ii) the forecast Statement of Cash Flows for FY18 (**Forecast Statement of Cash Flows**),

(together, the **Forecast Financial Information**),

(collectively, the **Financial Information**).

The Financial Information has been reported on by Moore Stephens Perth Corporate Services Pty Ltd as detailed in the Investigating Accountant's Report in Section 7. Potential investors should note the scope limitations of the Investigating Accountant's Report (refer to Section 7 for further information).

The Company's significant accounting policies have been consistently applied throughout the respective financial periods as detailed in Section 6.14.

The information in this Section should also be read in conjunction with the risk factors as detailed in Section 8 and other information included in this Prospectus.

6.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

(a) Overview

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of Primero, together with the pro forma financial performance, cash flows and financial position and the forecast financial performance and cash flows. The Directors are responsible for the preparation and presentation of the Financial Information.

Subject to Section 6.2(b) which details the preparation of the Historical Financial Information, the Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards, which are consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Primero's key accounting policies are detailed in Section 6.14. In preparing the Financial Information, the accounting policies of Primero have been applied consistently throughout the periods presented.

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(b) Preparation of the Historical Financial Information

The Historical Financial Information has been extracted from the audited financial statements of the Company for FY16 and FY17, and the reviewed financial statements for HY18.

Moore Stephens audited the financial statements of the Company for FY16 and FY17 and reviewed the financial statements of the Company for HY18. Moore Stephens issued unmodified opinions on the financial statements for FY16 and FY17, and an unmodified conclusion on the financial statements for HY18.

(c) Preparation of the Pro Forma Financial Information

The Pro Forma Forecast Statement of Profit or Loss is derived from the Forecast Statement of Profit or Loss of the Company for FY18, adjusted on the basis that the Company is listed on the ASX for the full year (as disclosed in Section 6.6). The Pro Forma Forecast Statement of Profit or Loss is provided for illustrative purposes only and is not represented as being necessarily indicative of Primero's future financial performance.

The Pro Forma Forecast Statement of Cash Flows is derived from the Forecast Statement of Cash Flows of the Company for FY18, adjusted on the basis that the Company is listed on the ASX for the full year (as disclosed in Section 6.10). The Pro Forma Forecast Statement of Cash Flows is provided for illustrative purposes only and is not represented as being necessarily indicative of Primero's future financial performance.

The Pro Forma Statement of Financial Position is derived from the Historical Statement of Financial Position of the Company as at 31 December 2017, adjusted on the basis of the completion of the Offer and the completion of certain other transactions as disclosed in Section 6.12, as if those events and transactions occurred as at 31 December 2017. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Primero's future financial position.

(d) Preparation of the Forecast Financial Information

The Forecast Financial Information of Primero for FY18 has been prepared based on actual results for the nine months to 31 March 2018 and forecasts for the remaining three months to 30 June 2018. The Forecast Financial Information has been prepared with reference to a number of underlying estimates and assumptions concerning future events and transactions, as detailed in Section 6.4.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider that the assumptions as a whole to be reasonable as at the time of preparing this Prospectus. Both the Forecast Financial Information and the assumptions used to prepare them are by their very nature subject to significant inherent business, economic and political uncertainties and risks, many of which are outside of the control of the Company and are not reliably predictable. Therefore, actual financial results are likely to vary from those forecast and variations may be materially positive or negative. As a result, neither the Directors nor the Company can give any assurance that the financial results detailed in the Forecast Financial Information will be achieved.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential future performance of the Company for FY18. The Forecast Financial Information of Primero for FY18 is included in Section 6.3 of the Prospectus. Details of these underlying best-estimate assumptions used in the preparation of the forecast are detailed in Section 6.4 of the Prospectus.

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6.3 CONSOLIDATED HISTORICAL AND FORECAST STATEMENTS OF PROFIT OR LOSS

The following table sets out the Company's Historical Statements of Profit or Loss for FY16 and FY17, and HY18. It also sets out the Forecast Statement of Profit or Loss for FY18, and the Pro Forma Forecast Statement of Profit or Loss for the same period.

	Note	Audited Historical FY16 $'000	Audited Historical FY17 $'000	Reviewed Historical HY18 $'000	Forecast FY18 $'000	Pro Forma Forecast FY18 S'000
Revenue		32,939	52,140	41,168	79,913	79,913
Cost of sales		(28,185)	(46,617)	(34,823)	(67,054)	(67,054)
Gross Profit		4,754	5,523	6,345	12,859	12,859
Gross Profit %		**14.4%**	**10.6%**	**15.4%**	**16.1%**	**16.1%**
Other income		156	126	51	88	88
Bad debts		(49)	–	–	–	–
Other expenses		(2,609)	(3,017)	(1,995)	(4,336)	(4,336)
EBITDA		2,252	2,632	4,401	8,611	8,611
Depreciation and amortisation		(539)	(565)	(355)	(825)	(825)
EBIT		1,713	2,067	4,046	7,786	7,786
Finance costs		(354)	(405)	(126)	(194)	(194)
Profit before tax		**1,359**	**1,662**	**3,920**	**7,591**	**7,591**
Income tax expense		(404)	(511)	(1,193)	(2,283)	(2,283)
Net profit after tax		**955**	**1,151**	**2,727**	**5,309**	**5,309**
Adjustments to forecast/ pro forma net profit – recurring expenses[1]	6.6				–	(605)
Forecast/pro forma net profit before one off listing costs					**5,309**	**4,704**
Adjustments to forecast/ pro forma net profit – one off costs of listing[1]	6.5				(433)	–
Forecast/pro forma net profit after tax					**4,876**	**4,704**

Notes:

(1) Adjustments to reconcile net profit after tax to forecast or pro forma net profit after tax.

The Forecast Financial Information for the Company has been prepared based on the actual results of the Company for the nine months to 31 March 2018 and forecasts for the remaining three months to 30 June 2018. Further details on the basis of preparation of the Forecast Financial Information is included in Section 6.2(d).

The pro forma Forecast Financial Information for the Company has been derived from the Forecast Financial Information of the Company for FY18, adjusted on the basis that the Company has been listed on the ASX for the full FY18. Further details on the basis of preparation of the Forecast Financial Information is included in Section 6.2(c).

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6.4 FORECAST FINANCIAL INFORMATION

The basis of preparation of the Forecast Financial Information for FY18 is detailed in Sections 6.2(d), 6.4(a) and 6.4(b) and outlines the Directors best-estimate assumptions used in the preparation of the Forecast Financial Information.

(a) General Assumptions

The following general assumptions are relevant to the Forecast Financial Information:

(i) there are no material changes in the competitive and operating environment in which Primero operates;

(ii) there are no material changes in current industrial, economic, political or market conditions under which Primero and its key customers operate that would have a material effect on Primero's operating results;

(iii) there are no material changes in statutory, legal or regulatory requirements that have a material effect on Primero's operating results;

(iv) there are no changes in applicable AAS, IFRS, other mandatory professional reporting requirements or the Corporations Act which could have a material impact on Primero's reported financial performance or cash flows, financial position, accounting policies, financial reporting or disclosures;

(v) there are no material employee relations disputes or other disturbances, contingent liabilities or legal claims that arise or that are settled to the detriment of Primero;

(vi) there are no material changes in key personnel during the forecast period;

(vii) there are no significant changes to the interest rates in Australia during the forecast period;

(viii) there are no material acquisitions, disposals, restructurings or investments other than as contemplated by this Prospectus;

(ix) there are no material changes to Primero's corporate and funding structure, excluding the impact of the Offer;

(x) there are no significant disruptions to the continuity of operations of Primero or other material changes in the business;

(xi) there are no material amendments to any material contract, agreement or arrangement relating to Primero's business;

(xii) none of the risks listed in Section 8 has a material adverse impact on the operations of Primero; and

(xiii) the Offer proceeds are received in accordance with the timetable detailed in the Key Dates section of this Prospectus.

(b) Specific Assumptions

The Forecast Financial Information has been prepared using the reviewed Historical Financial Information for the period 1 July 2017 to 31 December 2017, the actual unaudited financial information for the period 1 January 2018 to 31 March 2018, and the forecast financial information for the period 1 April 2018 to 30 June 2018. The forecast financial information for the three months to 30 June 2018 have been prepared based on anticipated events to 30 June 2018 and the specific assumptions detailed below.

(i) Revenue

Revenue from existing contracts has been recognised after taking into account the best estimate of the timing of revenue streams. The forecast revenue for each contract has been determined using the monthly forecast costs for the duration of the job grossed up by the forecast gross profit expected at the end of the job. Variations to contract values are only recognised in the forecasts once they have been approved by the client. Revenue from performance bonuses are only recognised once the performance target has been achieved.

Revenue from tenders and new contracts have been recognised after taking into account the probability of winning the tender (based on the stage of the tender process, and the likelihood of winning based on historical events, and discussion with the project manager). Revenue from tenders make up 2% of the total forecast revenue for FY18. Forecast revenue is allocated on a monthly basis over the length of the contract based on the best estimate of the timing of costs and estimated completion date.

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(ii) Gross Profit

The gross margin on existing jobs is determined using historical gross profit achieved for each job. Forecast job margins are adjusted where they are known to be different to the historic margins.

The gross margin on tenders and new contracts are based on the margin used in the tender submission.

(iii) Overhead Costs

Forecast overhead costs are based on historical overhead expenses for the six months to 31 December 2017 as business operations are not expected to differ substantially in the second half of the 2018 financial year. Overhead wages have been determined by estimating the percentage of each employee's time that will be spent on overhead tasks and multiplying it by their total salary costs for the period. Tender costs have been forecast by writing off a monthly amount based on 75% of time forecast to be spent on tender preparation for the period. Depreciation is forecast to increase during the period to reflect the increase in the value of plant and equipment on the fixed asset register.

The assumptions listed above are a summary only, and do not represent all the factors that will affect Primero's forecast financial performance.

6.5 ADJUSTMENTS TO FORECAST NET PROFIT AFTER TAX

The Forecast Statement of Profit or Loss has been derived by applying certain adjusted for the following one off transactions:

	Note	Forecast FY18 $'000
One off expense adjustments		
Offer costs	1	(588)
Fair value of Lead Manager Options to be expensed	2	(30)
Tax adjustment	3	185
Adjustment to forecast net profit after tax		**(433)**

Notes:

(1) Offer costs relate to forecast amounts to be expensed upon listing on the ASX (including fees payable to advisors, accounting and legal fees etc). Note that of the total expenses of the Offer of $1,685,567 (per section 10.15), $1,097,591 directly relates to Capital Raising and is netted off against issued capital. The balance of $587,976 has been included as an expense adjustment above. The portion of Offer costs attributable to the sell down of existing Shares by Existing Shareholders are included in Offer costs expensed to the profit or loss account. Subject to the date of listing, some of these expenses may actually be incurred in July 2018. For completeness, we have assumed that all of the estimated offer costs will be incurred prior to 30 June 2018.

(2) Expense relates to the cost of Options issued to the Lead Manager on listing of the Company and have been valued using the Black Scholes method. The portion of Offer costs attributable to the sell down of existing Shares by Existing Shareholders are included in Offer costs expensed to the profit or loss account. Subject to the date of listing, this expense may actually be incurred in July 2018. For consistency with the treatment of the Offer costs, we have assumed that the estimated expense will be incurred prior to 30 June 2018.

(3) Adjustment to reflect the tax effect of the statutory adjustments based on the Australian statutory corporate tax rate applicable to Primero of 30%.

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6.6 ADJUSTMENTS TO PRO FORMA FORECAST NET PROFIT AFTER TAX

The Pro Forma Forecast Statement of Profit or Loss has been derived by applying certain adjustments to the Forecast Statement of Profit or Loss to illustrate what the Forecast Profit or Loss of the Company would be if the Company was listed on the ASX for the entire FY18. As the Pro Forma Forecasts assume that the Company was listed for the whole of FY18, it includes the additional costs of being a listed company for a full twelve months, and excludes any one-off costs associated with the Offer.

	Note	Pro Forma Forecast FY18 $'000
Recurring expense adjustments		
Public company costs	1	(233)
Key management personnel remuneration	2	(269)
Key management personnel short term incentives	3	(362)
Tax adjustment	4	259
Adjustment to Pro Forma Forecast Net Profit After Tax		**(605)**

Notes:

(1) Public company costs reflect the increase in corporate costs expected as a consequence of the Company becoming listed on the ASX. These principally relate to Board and governance costs such as legal and company secretarial costs.

(2) Key management personnel remuneration costs reflect the increase in remuneration costs expected as a consequence of the Company becoming listed on the ASX. These principally relate to an increase in executive salaries and salaries for non-executive Directors.

(3) The short-term incentives adjustment for key management personnel is based on the assumption that the maximum short-term incentive bonuses are achieved for Directors and senior management. These maximum incentive bonuses will only be achieved if specified performance targets are met. As the details of the long-term incentive scheme are yet to be determined, this adjustment excludes the cost of any long-term incentive schemes such as performance rights, non-recourse loans and options to employees and senior management.

(4) Adjustment to reflect the tax effect of the statutory adjustments based on the Australian statutory corporate tax rate applicable to Primero of 30%.

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6.7 SENSITIVITY ANALYSIS

The Forecast Financial Information included in Section 6.3 is based on a number of estimates and assumptions as detailed in Section 6.4. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Primero, its Directors, and management. These estimates are based on assumptions in relation to future business developments, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the forecasts, the table below demonstrates the potential impact on forecast profit before tax that may arise from changes in key assumptions. The changes in the key assumptions detailed below are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced.

The sensitivity of these factors has been considered in isolation; however, there may be some interrelation between the movement in each of the variables, which could lead to variations exceeding what is illustrated below.

Each sensitivity is presented in terms of the impact of each on the forecast profit before tax as detailed in Section 6.3.

Sensitivity	Note	Variable	Potential impact on Forecast Profit before Tax for FY18 $'000
Revenue	1	Increase/(decrease) in forecast revenue by 1%	388/(388)*
Gross Profit	2	Increase/(decrease) in forecast gross profit by 1%	66/(66)*

Notes:

* Calculation based on the unreviewed six-month period from January to June 2018.

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6.8 CONSOLIDATED HISTORICAL STATEMENTS OF CASH FLOWS

The following table sets out the Company's Historical Statements of Cash Flows for FY16 and FY17, and HY18. It also sets out the Forecast Statement of Cash Flows for FY18, and the Pro Forma Forecast Statement of Cash Flows for the same period.

	Note	Audited Historical FY16 $'000	Audited Historical FY17 $'000	Reviewed Historical HY18 $'000	Forecast FY18 $'000	Pro Forma Forecast FY18 $'000
Cash flows from operating activities						
Receipts from customers (inclusive of GST)		30,938	48,951	40,471	79,786	79,786
Payments to suppliers and employees (inclusive of GST)		(31,855)	(48,872)	(32,160)	(69,658)	(69,658)
Interest received		49	23	10	34	34
Other revenue		93	91	25	34	34
Income taxes paid		(4)	(348)	(480)	(825)	(825)
Net cash provided by/(used in) used in operating activities		(779)	(155)[1]	7,866[1]	9,371	9,371
Cash flows from investing activities						
Payments for property, plant & equipment		(208)	(1,606)	(777)	(908)	(908)
Proceeds from disposal of property, plant & equipment		38	13	3	3	3
Receipts for investments		175	110	103	103	103
Payments for investments		–	(19)	(40)	(40)	(40)
Net cash provided by/(used in) investing activities		5	(1,502)	(711)	(842)	(842)
Cash flows from financing activities						
Proceeds from the issue of shares		–	204	–	–	–
Dividends paid		(1,510)	(109)	(559)	(559)	(559)
Repayment of borrowings		(1,103)	(2,580)	(1,881)	(2,466)	(2,466)
Proceeds from borrowings		3,302	2,343	816	817	817
Finance costs		(18)	(59)	(37)	(43)	(43)
Net cash provided by/(used in) financing activities		671	(201)	(1,661)	(2,251)	(2,251)
Net increase/(decrease) in cash held		(103)	(1,858)	5,494	6,278	6,278
Cash and cash equivalents at the beginning of the period		1,693	1,590	(268)	(268)	(268)
Effect of changes in exchange rate on cash balances held in foreign currencies		–	–	13	13	13
Cash and cash equivalents at the end of the period		**1,590**	**(268)**	**5,239**	**6,023**	**6,023**
Adjustments to forecast/pro forma cash and cash equivalents – recurring expenses[2]	6.10				–	**(864)**
Forecast/pro forma cash flow before one off listing transactions					**6,023**	**5,159**
Adjustments to forecast/pro forma statutory cash and cash equivalents – one off listing transactions[2]	6.9				18,564	–
Forecast/pro forma cash flow at the end of the period					**24,587**	**5,159**

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Notes:

(1) The net cash provided by operating activities for FY17 was substantially less than the net profit after tax for the same period due to a $4.8 million receipt from a customer post 30 June 2017 relating to a project that was completed during FY17. This is also the reason why the net cash provided by operating activities for HY18 is substantially higher than the net profit after tax for the same period.

(2) Adjustments to reconcile cash flows to forecast/pro forma cash flows.

6.9 ADJUSTMENTS TO FORECAST CASH FLOWS

The forecast Statement of Cash Flows has been adjusted for the following one off transactions:

	Note	Forecast FY18 $'000
One off adjustments		
Proceeds from the Offer (before costs)	1	20,000
Offer costs payable in cash	2	(1,436)
Adjustment to Forecast Net Cash Flows		**18,564**

Notes:

(1) Proceeds from the issue of 50,000,000 Shares at $0.40 per share to raise $20,000,000 before costs.

(2) Offer costs relate to forecast amounts to be expensed to 30 June 2018 upon listing on the ASX that are payable in cash (includes fees payable to advisors, accounting and legal fees etc). Subject to the date of listing, some of these expenses may actually be paid in July 2018. For completeness, we have assumed that all of the estimated Offer costs will be paid prior to 30 June 2018.

6.10 ADJUSTMENTS TO PRO FORMA FORECAST CASH FLOWS

The Pro Forma Forecast Statement of Cash Flows has been derived by applying certain adjustments to the Forecast Statement of Cash Flows to illustrate what the Forecast Cash Flows of the Company would be if the Company was listed on the ASX for the entire FY18. As the Pro Forma Forecasts assume that the Company was listed for the whole of FY18, it includes the additional costs of being a listed company for a full twelve months, and excludes any one-off costs associated with the offer.

	Note	Pro Forma Forecast FY18 $'000
Recurring expense adjustments		
Public company costs	1	(233)
Key management personnel remuneration	2	(269)
Key management personnel short term incentives	3	(362)
Adjustment to Pro Forma Forecast Net Cash Flows		**(864)**

Notes:

(1) Public company costs reflect the increase in corporate costs expected as a consequence of the Company becoming listed on the ASX. These principally relate to Board and governance costs such as legal and company secretarial costs.

(2) Key management personnel remuneration costs reflect the increase in remuneration costs expected as a consequence of the Company becoming listed on the ASX. These principally relate to an increase in executive salaries and salaries for non-executive Directors.

(3) The short-term incentives adjustment for key management personnel is based on the assumption that the maximum short-term incentive bonuses are achieved for Directors and senior management. These maximum incentive bonuses will only be achieved if specified performance targets are met. As the details of the long-term incentive scheme are yet to be determined, this adjustment excludes the cost of any long-term incentive schemes such as performance rights, non-recourse loans and options to employees and senior management.

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6.11 CONSOLIDATED HISTORICAL AND PRO FORMA STATEMENTS OF FINANCIAL POSITION

The pro forma Statement of Financial Position detailed below includes:

(a) the pro forma adjustments in respect to the impact of the Offer; and

(b) adjustments for subsequent events occurring from the date of 31 December 2017.

Details of the pro forma and subsequent event adjustments made to the reviewed consolidated Statement of Financial Position for the Company as at 31 December 2017 are detailed in Section 6.12.

The below pro forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view on its future financial position.

	Reviewed Historical as at HY18 $'000	Pro Forma as at HY18 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	5,239	23,803
Trade and other receivables	12,213	12,213
Inventories	606	606
Work in progress and accrued income	4,483	4,483
Other	412	412
Total current assets	22,953	**41,517**
Non-current Assets		
Property, plant & equipment	3,700	3,700
Deferred tax assets	254	254
Investments	110	110
Total non-current assets	4,064	**4,064**
TOTAL ASSETS	27,017	**45,581**
LIABILITIES		
Current Liabilities		
Trade and other payables	12,217	12,217
Borrowings	1,061	1,061
Income tax liabilities	1,372	1,372
Employee benefits	782	782
Unearned revenue	4,438	4,438
Total current liabilities	19,870	**19,870**
Non-current Liabilities		
Borrowings	1,254	1,254
Total non-current liabilities	1,254	**1,254**
TOTAL LIABILITIES	21,124	**21,124**
NET ASSETS	5,893	**24,457**
EQUITY		
Issued capital	348	19,380
Options reserve	–	150
Retained earnings	5,545	4,927
TOTAL EQUITY	5,893	**24,457**

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6.12 SUBSEQUENT EVENT ADJUSTMENTS

There have been no material items, transactions or events subsequent to 31 December 2017 that have not been otherwise disclosed in this Prospectus.

6.13 NOTES TO AND FORMING PART OF THE PRO FORMA STATEMENT OF FINANCIAL POSITION

(a) Preparation of the Pro Forma Statement of Financial Position

The 31 December 2017 Statement of Financial Position of Primero has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 31 December 2017:

(i) The issue pursuant to this Prospectus of 62,500,000 Shares at $0.40 per Share. 12,500,000 of these Shares relate to a sell down of Existing Shareholdings and have no impact on the pro forma balance sheet. The remaining 50,000,000 Shares are issued to raise capital of $20,000,000 before costs.

(ii) The payment of an estimated $1,685,567 in costs incurred by the Company in relation to the costs of the Offer, and the subsequent allocation of these costs between retained earnings ($587,976) and issued capital ($1,097,591). $250,000 of these costs are settled through the issue of ordinary shares in the Company. The portion of the Offer costs that relate to the sell down of existing shareholdings has been expensed to retained earnings.

(iii) The issue of 2,000,000 Lead Manager Options (valued at $150,000) as part consideration for corporate advisory services, and the write off of those costs against issued capital ($120,000) and retained earnings ($30,000). The portion of the Lead Manager Options that relates to the sell down of the existing shareholdings have been expensed to retained earnings.

(b) Cash and Cash Equivalents

	Actual HY18 $'000	Pro Forma HY18 $'000
CURRENT		
Cash at bank and on hand	5,239	23,803
The movements in cash at bank are as follows:		
Actual – 31 December 2017		5,239
Issue of shares pursuant to Prospectus (before costs)		20,000
Estimated transaction costs payable in cash		(1,436)
		23,803

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(c) Issued Capital and Options

Issued and fully paid Ordinary Shares	No. of shares	$'000
Ordinary shares fully paid	144,115,600	19,380
Movements during the period		
Shares on issue as at 31 December 2017	66,779	348
Share split on a ratio of 1:1,400	93,423,821	–
Shares on issue as at 31 December 2017 post share split	93,490,600	348
Shares issued pursuant to current prospectus (before costs)	50,000,000	20,000
Estimated costs of the Offer, including share based payment of $250,000	625,000	(848)
Value attributed to Lead Manager Options as cost of the Offer	–	(120)
	144,115,600	**14,757**

Options	No. of options	$'000
Options on issue	2,000,000	150
Movements during the period		
Options on issue at 31 December 2017	–	–
Options issued to the Lead Manager	2,000,000	150
	2,000,000	**150**

(d) Operating Lease Commitments

	Actual HY18 $'000
Committed as at 31 December 2017 but not recognised as liabilities:	
Within one year	539
One to five years	1,009
More than five years	–
Total	**1,547**

Operating lease commitments include warehouses and offices under non-cancellable leases expiring within one to ten years.

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6.14 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are detailed below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of Preparation

The financial information of Primero has been prepared in accordance with Australian Accounting Standards which are consistent with International Financial Reporting Standards. The condensed financial information does not include all the information and disclosures required in annual financial statements.

The Company is a for-profit entity for financial reporting purposes. Material accounting policies adopted in the preparation of this financial information are presented below and have been consistently applied in respect of each year/period unless stated otherwise.

The financial information has been prepared on an accruals basis and is based on historical costs. All amounts are presented in Australian dollars, which is the Company's functional and presentation currency.

(b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering of Services

Rendering of services revenue is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(c) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

(i) when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

(ii) when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Reduction in Corporate Tax

The corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(f) Inventories

Inventories and work in progress are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated costs necessary to make the sale.

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(g) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold Improvements	3-40 years
Plant and Equipment	2-10 years
Motor Vehicles	8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(i) Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a diminishing value over the period of their expected benefit, being their finite life of 2.5 years.

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(j) Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(m) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(n) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(o) Employee Benefits

Short-Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-Term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(p) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

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(q) Goods and Services Tax ('GST') and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(r) Rounding of Amounts

The Company has applied the relief available to it under Australian Securities and Investment Commission Corporations (Rounding in Financial/Directors Report) Instrument 2016/191. Accordingly amounts in the financial statements have been rounded off to the nearest $1,000.

(s) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below.

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have a significant impact on the Company's financial instruments.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

(i) identify the contract(s) with a customer;

(ii) identify the performance obligations in the contract(s);

(iii) determine the transaction price;

(iv) allocate the transaction price to the performance obligations in the contract(s); and

(v) recognise revenue when (or as) the performance obligations are satisfied.

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The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have a significant impact on the Company's financial statements.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

(i) recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

(ii) depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;

(iii) inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;

(iv) application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and

(v) inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Directors have assessed the expected impact of the adoption of AASB 16 and anticipate that it will have a significant impact on the Group. Whilst the Directors have not quantified this impact, Section 6.13(d) above includes a summary of the value of the Group's operating lease commitments as at 31 December 2017. At the time of adoption of AASB 16 (expected to be 1 July 2019), each of these operating leases will need to be reviewed and the value of the right to use asset and associated lease liability measured and recognised in the financial statements. This will result in a material asset and a corresponding material liability being recognised in the Statement of Financial Position. The operating lease expense (i.e. lease payments) that is currently recognised in the profit or loss account will be replaced by two expenses comprising the amortisation of the right to use asset, and the finance lease (interest) charge in respect of the lease liability. Over the period of the lease the total expense recognised in the profit or loss account will be the same, however the timing of the expense year to year is likely to differ post adoption of AASB 16.

(t) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for Impairment of Receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of Useful Lives of Assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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Impairment of Non-Financial Assets

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income Tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee Benefits Provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

6.15 DIVIDEND POLICY

The payment of dividends by the Company is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant.

Subject to future business conditions, opportunities and the cash flow requirements of the Company, the Directors anticipate that the first dividend to Shareholders will become payable with respect to FY19 paying out between 40% and 60% of the Company's after tax profits.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend. Please read the Forecast Financial Information in conjunction with the assumptions underlying its preparation as detailed in Section 6.4 and the risk factors in Section 8.

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07.
INVESTIGATING ACCOUNTANT'S REPORT

07. INVESTIGATING ACCOUNTANT'S REPORT

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MOORE STEPHENS

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace,
WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181

www.moorestephens.com.au

14 June 2018

The Directors of Primero Group Limited and
Primero Group SaleCo Limited
78 Hasler Road
Osborne Park WA 6017

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. INTRODUCTION

This report has been prepared at the request of the Directors of Primero Group Limited (the "Company" or "Primero") for inclusion in a prospectus to be issued by the Company and Primero Group SaleCo Limited ("SaleCo") ("Prospectus") in respect of the initial public offering of fully paid ordinary shares in the Company ("Capital Raising" or "the Offer") and the listing of the Company on the Australian Securities Exchange.

Pursuant to the Prospectus, the Company is offering for subscription a total of 62,500,000 ordinary shares at an issue price of $0.40 (40 cents per share) payable in full on application. 12,500,000 of these ordinary shares will be used to sell down existing shareholdings. The remaining 50,000,000 ordinary shares will be used to raise $20,000,000 before costs.

There is no allowance for oversubscriptions. The offer is underwritten.

Upon completion of the Capital Raising, the Company will apply for admission of the Company's shares to the official list of the Australian Securities Exchange Limited ("ASX").

Expressions defined in the Prospectus have the same meaning in this report.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for Primero, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this report.

2. SCOPE OF REPORT

The Directors of the Company have requested Moore Stephens Perth Corporate Services Pty Ltd prepare an Investigating Accountant's Report on:

Historical Financial Information

The Directors have requested that Moore Stephens Perth Corporate Services Pty Ltd review:

- The historical consolidated Statements of Profit or Loss of Primero for the years ended 30 June 2016 and 2017 and the six months ended 31 December 2017;
- The historical consolidated Statements of Cash flows of Primero for the years ended 30 June 2016 and 2017 and the six months ended 31 December 2017; and
- The historical consolidated Statement of Financial Position of Primero as at 31 December 2017;

which is collectively termed the "Historical Financial Information".

Moore Stephens Perth Corporate Services Pty Ltd ABN 41 421 048 107. Liability limited by a scheme approved under Professional Standards Legislation. The Perth Moore Stephens firm is not a partner or agent of any other Moore Stephens firm. An independent member of Moore Stephens International Limited - members in principal cities throughout the world

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Historical Financial Information (continued)

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The Historical Financial Information has been extracted from the audited financial statements of the Company for the years ended 30 June 2016 and 2017, and the reviewed financial statements for the half year ended 31 December 2017.

Moore Stephens Perth audited the financial statements of the Company for the years ended 30 June 2016 and 2017 and reviewed the financial statements of the Company for the half year ended 31 December 2017. Moore Stephens Perth issued unmodified opinions on the financial statements for the years ended 30 June 2016 and 2017, and an unmodified conclusion on the financial statements for the half year ended 31 December 2017.

The consolidated Statements of Profit or Loss of Primero for the years ended 30 June 2016 and 2017, and the six months ended 31 December 2017 are included at section 6.3 of the Prospectus, and are presented without adjustment.

The consolidated Statement of Cash flows of Primero for the years ended 30 June 2016 and 2017, and the six months ended 31 December 2017 are included at section 6.8 of the Prospectus, and are presented without adjustment.

The consolidated Statement of Financial Position as at 31 December 2017 of the Company is included in section 6.11 of the Prospectus, and is included without adjustment.

Pro Forma Financial Information

The Directors have requested that Moore Stephens Perth Corporate Services Pty Ltd review:

- The consolidated Pro Forma Forecast Statement of Profit or Loss of Primero for the year ending 30 June 2018 adjusted on the basis that the Company had been listed for the full year ending 30 June 2018 as described in section 6.2c of the Prospectus;
- The consolidated Pro Forma Forecast Statement of Cash Flows of Primero for the year ending 30 June 2018 adjusted on the basis that the Company had been listed for the full year ending 30 June 2018 as described in section 6.2c of the Prospectus; and
- The consolidated Pro Forma Statement of Financial Position of Primero as at 31 December 2017 adjusted to include funds to be raised pursuant to the Prospectus and the completion of certain other transactions as disclosed in section 6.2c of the Prospectus, as if those events and transactions occurred as at 31 December 2017.

which is collectively termed the "Pro Forma Financial Information".

The Pro Forma Forecast Statement of Profit or Loss is derived from the Forecast Statement of Profit or Loss of the Company for the year ending 30 June 2018, adjusted on the basis that the Company is listed on the ASX for the full year (as disclosed in Section 6.6). The Pro Forma Forecast Statement of Profit or Loss is provided for illustrative purposes only and is not represented as being necessarily indicative of Primero's future financial performance.

The Pro Forma Forecast Statement of Cash Flows is derived from the Forecast Statement of Cash Flows of the Company for the year ending 30 June 2018, adjusted on the basis that the Company is listed on the ASX for the full year (as disclosed in Section 6.10). The Pro Forma Forecast Statement of Cash Flows is provided for illustrative purposes only and is not represented as being necessarily indicative of Primero's future financial performance.

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Pro Forma Financial Information (continued)

The Pro Forma Statement of Financial Position is derived from the Historical Statement of Financial Position of the Company as at 31 December 2017, adjusted on the basis of the completion of the proposed Capital Raising and the completion of certain other transactions as disclosed in Section 6.13, as if those events and transactions occurred as at 31 December 2017. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Primero's future financial position.

Forecast Financial Information

The Directors have requested that Moore Stephens Perth Corporate Services Pty Ltd review:

- The consolidated Forecast Statement of Profit or Loss of Primero for the year ending 30 June 2018, as described in section 6.2d of the Prospectus; and
- The consolidated Forecast Statement of Cash Flows of Primero for the year ending 30 June 2018, as described in section 6.2d of the Prospectus.

which is collectively termed the "Forecast Financial Information".

The Forecast Financial Information of Primero for the year ending 30 June 2018 is included in sections 6.3 and 6.8 of the Prospectus. Details of the underlying best-estimate assumptions used in the preparation of the forecast are set out in section 6.4 of the Prospectus.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential future performance of the Company for the year ending 30 June 2018. There is considerable judgement involved in preparing Forecast Financial Information as they relate to events and transactions that have not yet occurred, and may not occur. Actual results are likely to be different from the Forecast Financial Information as events and transactions may not occur, and frequently do not occur, as anticipated, and variations may be material.

The best-estimate assumptions used by the Directors in the preparation of the Forecast Financial Information are based on future events and transactions that the Directors expect to occur, and actions that management are expected to take, and are subject to a number of uncertainties and contingencies which may be outside of the control of the Company. Evidence may be available to support these best-estimate assumptions; however, such evidence is future orientated and often speculative in nature. As such, we express no opinion on whether the Forecast Financial Information will be achieved. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in section 8 of the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. The sensitivity analysis included in section 6.7 of the Prospectus illustrates the impact on the Forecast Financial Information of changes in the key assumptions used in its preparation.

We have assumed and relied upon the representations provided to us from management and Directors of the Company, that all material information concerning the prospects and proposed operations of the Company have been disclosed to us, and that the information provided to us and used to prepare the Forecast Financial Information is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3. SCOPE OF REVIEW

Management's Responsibilities

The Directors of Primero are responsible for the preparation and presentation of the Historical and Pro Forma financial information, including the determination of the Pro Forma transactions. The Directors are also responsible for the preparation of the Forecast Financial Information, including the best-estimate assumptions used in the preparation of the Forecast Financial Information.

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Our Responsibilities

We have conducted our engagement in accordance with Australian Auditing Standard *ASRE 2405 Review of Historical Financial Information Other than a Financial Report*. We have also considered the requirements of *ASAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and *ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used to compile the Pro forma Financial Information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the Pro Forma Financial Information, or the Pro Forma Financial Information itself.

The purpose of the compilation of the Pro Forma Financial Information is solely to illustrate the impact of the proposed Capital Raising and related transactions on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising and related transactions would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of contractual arrangements;
- a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- analytical procedures, to the extent considered necessary;
- a review of the audited and reviewed financial statements of Primero, including making enquiries of the auditor, to the extent considered necessary;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- a review of the assumptions and pro forma adjustments used to compile the Pro Forma Financial Information;
- a review of the unaudited Forecast Financial Information, to the extent considered necessary;
- a review of the best-estimate assumptions used to compile the Forecast Financial Information; and
- enquiry of Directors, management and advisors of Primero.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a limited assurance conclusion as to whether we have become aware that the Historical, Pro Forma and Forecast Financial Information, the best-estimate assumptions used in the preparation of the Forecast Financial Information, and the reasonableness of the Forecast Financial Information set out in section 6 of the Prospectus do not present fairly, in all material respects, in accordance with Australian Accounting Standards and the accounting policies adopted by the Company. This view is consistent with our understanding of the financial position of the Company as at 31 December 2017, the pro forma financial position as at 31 December 2017, and of its financial results and cash flows for the years ended 30 June 2016 and 2017, and the half year ended 31 December 2017, as well as our understanding of the expected performance of the Company for the year ending 30 June 2018.

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4. CONCLUSIONS

Based on our review, which is not an audit:

- Nothing has come to our attention which causes us to believe that the historical consolidated Statements of Profit or Loss of Primero for the years ended 30 June 2016 and 2017, and the six months ended 31 December 2017, as set out in section 6.3 of the Prospectus, do not present fairly the results of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the historical consolidated Statements of Cash Flows of Primero for the years ended 30 June 2016 and 2017, and the six months ended 31 December 2017, as set out in section 6.8 of the Prospectus, do not present fairly the cash flows of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the historical consolidated Statement of Financial Position of the Company, as set out in section 6.11 of the Prospectus, does not present fairly the assets and liabilities of the Company as at 31 December 2017 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the consolidated Pro Forma Forecast Statement of Profit or Loss of the Company for the year ending 30 June 2018, as set out in section 6.3 of the Prospectus, does not present fairly the forecast results of the Company for the year then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 6.4 of the Prospectus.
- Nothing has come to our attention which causes us to believe that the consolidated Pro Forma Forecast Statement of Cash Flows of the Company for the year ending 30 June 2018, as set out in section 6.8 of the Prospectus, does not present fairly the forecast cash flows of the Company for the year then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 6.4 of the Prospectus.
- Nothing has come to our attention which causes us to believe that the consolidated Pro Forma Statement of Financial Position of the Company, as set out in section 6.11 of the Prospectus, does not present fairly the assets and liabilities of the Company, as at 31 December 2017 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 6.13 of the Prospectus.
- Nothing has come to our attention which causes us to believe that:
  - The best-estimate assumptions used in the preparation of the consolidated Forecast Statement of Profit or Loss and the consolidated Forecast Statement of Cash Flows for the Company for the year ending 30 June 2018, as described in section 6.4 of the Prospectus, are unreasonable;
  - In all material respects, the consolidated Forecast Statement of Profit or Loss and the consolidated Forecast Statement of Cash Flows for the Company for the year ending 30 June 2018 are not prepared on the basis of the best-estimate assumptions as described in section 6.4 of the Prospectus;
  - In all material respects, the consolidated Forecast Statement of Profit or Loss and the consolidated Forecast Statement of Cash Flows for the Company for the year ending 30 June 2018 are not presented fairly in accordance with the stated basis of preparation as described in section 6.2d of the Prospectus; and
  - The consolidated Forecast Statement of Profit or Loss and the consolidated Forecast Statement of Cash Flows for the Company for the year ending 30 June 2018 are unreasonable.

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5. SUBSEQUENT EVENTS

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2017 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. OTHER MATTERS

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Moore Stephens Perth Corporate Services Pty Ltd consents to the inclusion of this report in the Prospectus in the form and context in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

Peter Gray
Director
Moore Stephens Perth Corporate Services Pty Ltd

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Australian Financial Services License No. 240773

FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Investigating Accountants Report for Primero Group Pty Ltd ("Primero"). Our report has been prepared at the request of the Directors of Primero for inclusion in the Prospectus to be dated 14 June 2018 in respect of the initial public offering of fully paid ordinary shares in Primero and listing of Primero on the Australian Securities Exchange.

Moore Stephens Perth Corporate Services Pty Ltd

Moore Stephens Perth Corporate Services Pty Ltd ("MSPCS") has been engaged by the directors of Primero to prepare an Investigating Accountants Report in respect of the initial public offering of fully paid ordinary shares in Primero and listing of Primero on the Australian Securities Exchange.

MSPCS holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

MSPCS holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately $35,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MSPCS or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MSPCS is the licensed corporate advisory arm of Moore Stephens Perth, Chartered Accountants. The directors of MSPCS may also be partners in Moore Stephens Perth Chartered, Accountants.

Moore Stephens Perth, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MSPCS's contact details are set out on our letterhead.

Moore Stephens Perth, a related entity to MSPCS, has previously provided audit services to Primero.

Complaints resolution

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, Moore Stephens, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with Australian Financial Complaints Limited ("AFC"). AFC is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MSPCS is a member of AFC. AFC may be contacted directly via the details set out below.

Australian Financial Complaints Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: 03 9613 6399
Email: info@fos.org.au

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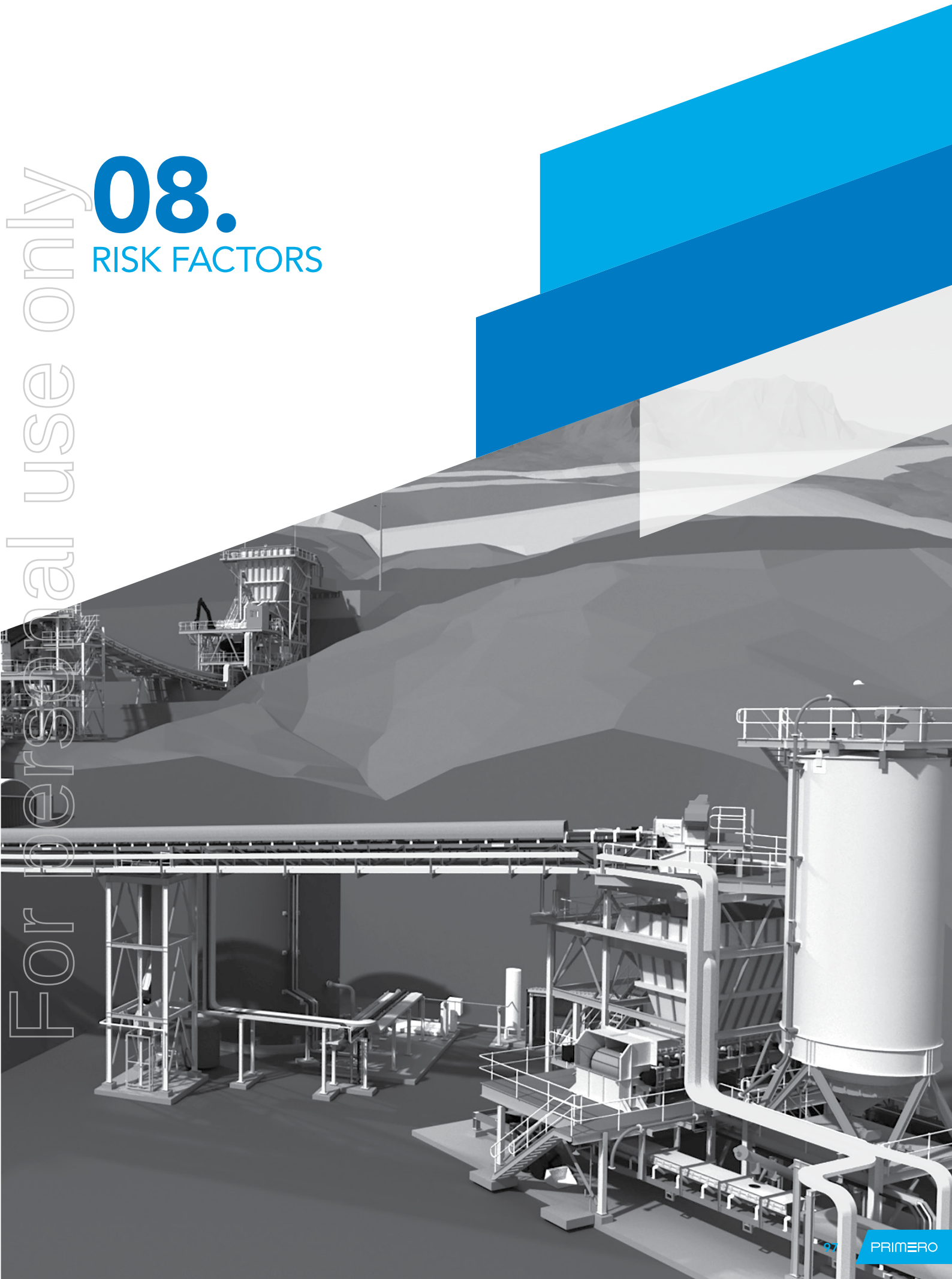
08.
RISK FACTORS



08. RISK FACTORS

The Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks detailed in this Section 8 is not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risk detailed in, and others not specifically referred to, this Section 8 may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risk detailed in this Section 8 also necessarily include forward looking statements. Actual events may be materially different to those detailed and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares the subject of the Offer or the market price at which the Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 8, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Shares.

8.1 COMPANY SPECIFIC RISKS

(a) Project Risk and Reliance on Key Clients and Contracts

The Company derives the majority of its revenue at any given time from a concentrated number of substantial contracts which may be terminated, delayed or incur unforeseen costs in performance which may not be recoverable. Important financial information concerning the Company's revenue, historical performance and forecast assumptions are contained in Section 6. The Company's material contracts are summarised in Section 9.

The cost and availability of plant, equipment and construction materials may affect profitability particularly in a rising cost environment. Any variation to scope and timing of works, delay or termination of the Company's material contracts, any breach by the Company of its obligations under the material contracts or the incurrence of unrecoverable costs during performance, may materially impact on the Company's performance.

The Company is also potentially subject to warranty claims which may expose it to re-performance of its contractual obligations or additional costs. The Company is particularly exposed to risk in circumstances where it has agreed to an EPC contract where it may suffer loss in the event expenses exceed anticipated costings for the project. The Company constructs large and often complex processing plants which may operate under extreme conditions. The potential for failure of components is always present. If this failure results in a loss to the Company, the Company may have exposure to rectification of these failures which may result in a call on performance guarantees provided by the Company to its clients (if any), or in some cases, may exceed the quantum of any such performance guarantees.

(b) Contracting Risk

The Company's business is generally characterised by large, long term fixed price contracts. The terms of these contracts typically include liability periods applicable to the Company for work performed (the limits of which vary from contract to contract), provision for payment of liquidated damages for late delivery and extensive indemnities are also provided by the Company.

In most instances, clients have the power to unilaterally suspend or terminate contracts entered into with the Company by giving written notice. The suspension or early termination of contracts, for any reason, may mean that the Company will incur additional costs or not realise the full value of the contract, which is likely to adversely affect the growth prospects operating results and financial performance of the Company.

There is also a pricing risk in respect of the Company's current and future contracts. If the initial estimate of costs by the Company in tendering for projects is understated or costs increase by a margin greater than that accounted for in the pricing of the contracts, then this may adversely affect the Company's financial performance and/or financial position. Further, if future fixed price contracts are priced incorrectly, or costs increase above those anticipated at the time of entering the contracts, then this may adversely affect the Company's financial performance and/or financial position.

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(c) Dependence on Key Personnel

The Company depends on the expertise and experience of its personnel as its primary assets.

It is essential that appropriately skilled personnel be available in sufficient numbers to support the quality of the Company's services and maintain the diversity of its business skills. The Company requires personnel that are professionally skilled in many areas, some of which may be considered niche specialties in which few practitioners are available for recruitment. Growth in the demand for skilled personnel in the mining and minerals industries has also created greater competition.

Should a number of its key personnel leave the Company, this may have a negative impact on the Company as it may be difficult to replace them, or to do so in a timely manner or at a comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company.

The Company's ability to attract and retain personnel will have a direct correlation upon its ability to deliver its project commitments. Any failure to retain existing employees and recruit and retain additional personnel, may have a negative impact on existing operations and future growth prospects of the Company, and adversely affect the financial performance and/or financial position of the Company.

(d) Increased Competition from New and Existing Competitors

The Company operates in markets that are competitive and in which a number of companies compete. Competition in these markets is expected to continue, presenting the Company with numerous challenges relating to its ability to maintain growth rates and acceptable margins. If the Company is unable to meet these competitive challenges, it may lose market share to its competitors and experience an overall reduction in its earnings.

(e) Ability to Win New Projects

The Company's performance is influenced by its ability to win new contracts and complete projects in a timely manner. The failure of the Company to win new projects could adversely impact its growth prospects, operational results and financial performance.

(f) Cyclical Nature of the Business

The Company's clients are involved in the oil and gas, mining and minerals processing industries. While conditions in these sectors are generally positive at present, the level of activity and profitability is cyclical and sensitive to a number of factors outside of the Company's control, such as movements in commodity prices. The Company is not able to predict the timing, extent or duration of these activity cycles which may affect the financial performance and/or financial position of the Company.

(g) Operating Risks

The Company and its clients are exposed to a range of operational risks relating to both current and future operations. Such operational risks include, but are not limited to, the following items:

(i) equipment and information technology system failures;

(ii) unanticipated and/or undetected quality problems or departures from specifications;

(iii) costs arising from unforeseen claims and events that are not or cannot be covered by the client or the Company's insurance;

(iv) defects as a result of faulty design, construction or improperly carried out maintenance service, whether within the Company's control or not;

(v) plant and equipment constraints;

(vi) external suppliers' or subcontractors' failures;

(vii) delays to project timetables and scheduled maintenance shutdowns; and/or

(viii) potential disruptions to operations resulting from industrial accidents, industrial disputes or natural disasters.

Whilst the Company endeavours to take appropriate action to mitigate these operational risks and, in some circumstances, insure against them, the Company cannot control the risks its clients are exposed to nor can it completely remove all possible risks relating to its own business. A disruption to the operations of the Company or its clients may have an adverse impact on the financial performance and/or financial position of the Company.

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(h) Environmental Incidents and Claims

The Company operates in industries where environmental issues may potentially impact on contract performance or result in a complete shutdown of the project, causing a deferral or preventing receipt of anticipated revenues. There could be claims against the Company if it is considered partly or wholly liable. Such issues may potentially impact the Company's reputation and financial position.

(i) Industrial Accidents

Industrial accidents may occur with respect to the Company activities. In the event of a serious accident, for example resulting in a fatality, or a series of accidents on the same project, substantial claims may be brought against the client and/or the Company or the client may terminate their contractual arrangement with the Company. Such an accident could impact upon the Company's reputation, growth prospects and financial performance.

(j) Additional Funds and Financing

The Company's ability to implement its future business plan may depend upon appropriate access to funds. The Company views its proposed listing on ASX as beneficial in terms of providing access to additional sources of capital but can give no assurances that funding, whether in the form of debt or equity, will be available on favourable terms, if at all.

(k) Liquidity Risk and Concentration of Shareholding

On Completion the Existing Shareholders will hold 56.2% of the total issued Shares. Following the completion of the Offer, the Shares held by the Existing Shareholders will be subject to voluntary escrow for a period of up to 24 months. None of the Existing Shareholders intend on participating in the Offer. Any future sales of Shares by any of the Existing Shareholders may have a negative impact on the Share price as traded on ASX.

(l) Contractual Disputes and Litigation

The Company has no current involvement in any material contractual disputes or litigation matters with their clients or other third parties. However, there is a risk that the Company may in the future have disputes with its clients or other third parties (including payment disputes) and that this may have an adverse impact on its growth prospects, operating results and financial performance.

(m) Growth

There is a risk that the Company may be unable to manage its future growth successfully. There is also no guarantee the Company can maintain or grow the volume of its projects and its project pipeline going forward. This may also be negatively impacted beyond the Company's control, including a decline in industry growth.

(n) Loss of Reputation

The Company has developed a reputation in the name "Primero", which it uses in the services provided by it. There is a risk that any event by which the Company suffers a loss of reputation in one component of its business may adversely affect the other components of the Company's business by virtue of the common use of the name Primero.

Adverse publicity regarding professional negligence of engineers in other engineering services practices may impact on the overall reputation of the industry and accordingly, the Company.

(o) Professional Negligence and Insurance

Claims of professional negligence may be made against the Company.

The Company maintains significant professional indemnity insurance to cover liabilities in the event of a claim of negligence.

In the event of a successful claim for professional negligence being made against the Company, this may impact upon the Company by:

(i) adversely affecting the reputation of Primero;

(ii) the payment of excesses incurred in defending claims;

(iii) the payment of any amount of liability that exceeds available insurance coverage; and

(iv) increasing future insurance premiums.

The Company may be unable to obtain appropriate professional indemnity cover for all work, particularly given the state of the international insurance industry and the fact that Primero's work in overseas countries may be considered by insurers to present additional risk, depending upon political and litigious circumstances in the country in question.

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(p) Intellectual Property

The Company's ability to leverage its innovation and expertise depends upon its ability to protect intellectual property and any improvements to it. Such intellectual property may not be capable of being legally protected, it may be the subject of unauthorized disclosure or unlawfully infringed, the Company may incur substantial costs in asserting or defending its intellectual property rights.

(q) Third Party Risk

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(r) Legal Risks

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its Shares. In addition there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

(s) Foreign Operations

The Company may derive an increasing proportion of its revenue from operations in foreign countries, in particular Canada.

There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability and in certain cases expropriation, nationalisation and war. There may also be fluctuations in currency exchange rates, foreign exchange controls which restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions and delays from clients, brokers or government agencies. The Company could also be adversely affected by seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely impact the success of the Company's international operations.

There is also a risk that Australian government policies in relation to particular regions may also change, affecting trade and investment opportunities in that region

(t) Remote Locations

The Company frequently undertakes projects in remote locations. This may involve logistical difficulties for plant, equipment and materials, as well as skilled personnel and general labour. Some locations may involve inherent risk to personnel.

8.2 GENERAL RISKS

(a) Securities Investments

Applicants should be aware that there are risks associated with any securities investment.

Prior to the Offer, there was no public market for the Shares. There is no guarantee that an active trading market in the Shares will develop or that the price of the Shares will increase. The prices at which the Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

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(b) Economic Risk

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but not are but not limited to:

(i) general economic conditions;

(ii) changes in Government policies, taxation and other laws;

(iii) the strength of the equity and share markets in Australia and throughout the world;

(iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;

(v) industrial disputes in Australia and overseas;

(vi) changes in investor sentiment toward particular market sectors;

(vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and

(viii) natural disasters, social upheaval or war.

(c) Dilution

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted.

(d) Share Market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Securities may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

(i) general economic outlook;

(ii) interest rates and inflation rates;

(iii) currency fluctuations;

(iv) commodity price fluctuations;

(v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital; and

(vii) terrorism or other hostilities.

There is also no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. There may be relatively few buyers or sellers of Securities on the ASX at any particular time.

(e) Legal Proceedings

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to clients, 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. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(f) Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

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(g) Macro-Economic Risks

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:

(i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

(ii) increases in expenses (including the cost of goods and services used by the Company);

(iii) new or increased government taxes, duties or changes in taxation laws; and

(iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(h) Broader General Risks

There are also a number of broader general risks which may impact the Company's performance. These include:

(i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and

(ii) higher than budgeted costs associated with the provision of service offerings.

(i) Currency Risk

The Company may operate in multiple international jurisdictions, which exposes the Company to multiple currencies and their future currency fluctuations, which may affect future profitability of the Company.

(j) Taxation Risk

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

(k) Accounting Standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

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09.
MATERIAL CONTRACTS

09. MATERIAL CONTRACTS

The Directors consider that the material contracts detailed below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

9.1 UNDERWRITING AGREEMENT

The Offer is being underwritten by the Lead Manager pursuant to an underwriting agreement dated 5 June 2018 between the Company, SaleCo and the Lead Manager (**Underwriting Agreement**). Under the Underwriting Agreement, the Lead Manager has agreed to arrange and manage the Offer and to underwrite the Offer.

For the purpose of this Section 9.1, 'Offer Documents' means the documents issued or published by or on behalf of the Company and SaleCo and with their prior approval in respect of the Offer including:

- this Prospectus, any Application Form and any supplementary prospectus;
- the pathfinder version of this Prospectus that was distributed prior to the date of this Prospectus and document supplements or replaces the pathfinder version of this Prospectus (including any addendum to the pathfinder);
- any confirmation, allocation and registration form or cover email sent by or on behalf of the Company or SaleCo to eligible Institutional Investors in connection with the Institutional Offer and bookbuild; and
- any marketing roadshow presentation and/or public announcements used by the Company or SaleCo in connection with the Offer.

(a) Commissions, Fees and Expenses

On the settlement date (as defined in the Underwriting Agreement) (**Settlement Date**), the Company and SaleCo must pay the Lead Manager an underwriting fee equal to 3% and a selling and management fee equal to 1% of the total funds raised under the Offer (**Offer Proceeds**).

In addition, the Company must also allot the following scrip-based fees to the Lead Manager:

(i) an additional management fee equal to 1% of the total funds raised under the Offer to be settled through the issue of 625,000 Shares (issued at the Offer Price);

(ii) 1,000,000 Options that will expire at 5:00pm on the date that is three years from the date of issue and have an exercise price of A$0.50 per Option (on terms summarised in Section 10.14); and

(iii) 1,000,000 Options that will expire at 5:00pm on the date that is three years from the date of issue and have an exercise price of A$0.60 per Option (on terms summarised in Section 10.14).

In addition to the fees detailed above, the Company and SaleCo have agreed to reimburse the Lead Manager for certain agreed costs and expenses incurred by the Lead Manager in relation to the Offer.

(b) Termination Events

The Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo at any time from the date of the Underwriting Agreement until 10.00am on the Settlement Date or any other earlier time as specified below, if any of the following events occur:

(i) in the reasonable opinion of the Lead Manager, a statement in the Offer Documents is misleading or deceptive (including by omission) or likely to mislead or deceive, or becomes misleading or deceptive, or a material matter is omitted from the Offer Documents;

(ii) the Company and SaleCo:

  (A) issue or, in the reasonable opinion of the Lead Manager are required to issue, a supplementary prospectus because of the operation of section 719(1) of the Corporations Act; or

  (B) lodge a supplementary prospectus with ASIC in a form and substance that has not been approved by the Lead Manager in circumstances required under the Underwriting Agreement;

(iii) at any time the S&P/ASX Metals and Mining Index falls to a level that is 90% or less of the level as at the close of trading on the day immediately prior to the date of the Underwriting Agreement and closes at or below that 90% level on two consecutive business days prior to the Settlement Date, or on the business day prior to the Settlement Date;

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(iv) any of the Share Sale Deeds (as defined in the Underwriting Agreement) are varied, terminated, rescinded, altered or amended, breached or failed to be complied with;

(v) any of the Restriction Agreements (as defined in the Underwriting Agreement) are withdraw, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;

(vi) any of the Company or SaleCo or their directors or officers engage, or have been alleged by a governmental authority to have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;

(vii) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions (in the reasonable opinion of the Lead Manager), to:

(A) the Company's admission to the Official List on or before the Shortfall Notification Date (as defined in the Underwriting Agreement); or

(B) the quotation of the Shares on ASX or for the Shares to be traded through CHESS on or before the quotation date,

or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(viii) any of the following notifications are made in respect of the Offer:

(A) ASIC issues an order (including an interim order) under section 739 of the Corporations Act and any such inquiry or hearing is not withdrawn within three business days or if it is made within three business days of the Settlement Date it has not been withdrawn by the business day before the Settlement Date;

(B) ASIC holds a hearing under section 739(2) of the Corporations Act;

(C) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document, and any such application inquiry or hearing is not withdrawn within three business days or if it is made within three business days of the Settlement Date it has not been withdrawn by the business day before the Settlement Date;

(D) any person who has previously consented to the inclusion of its name in the Prospectus (other than the Lead Manager) withdraws that consent; or

(E) any person gives a notice under section 730 of the Corporation Act in relation to the Prospectus (other than the Lead Manager);

(ix) the Company or SaleCo does not provide a closing certificate as and when required under the Underwriting Agreement;

(x) the Company or SaleCo withdraws the Prospectus or the Offer;

(xi) an event specified in the timetable up to and including the Settlement Date is delayed by more than two business days (other than any delay agreed between the Company, SaleCo and the Lead Manager);

(xii) the Company is prevented from allotting and issuing the New Shares, or SaleCo is prevented from transferring or causing the transfer of the Sale Shares, within the time required by the Listing Rules and the Corporations Act, by applicable laws, an order of a court of competent jurisdiction or a governmental authority;

(xiii) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal for the Lead Manager to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the Offer;

(xiv) the Company:

(A) alters the issued capital of the Company or a member of the Group; or

(B) disposes or attempts to dispose of a substantial part of the business or property of the Group,

without the prior written approval of the Lead Manager (not to be unreasonably withheld or delayed);

(xv) the Company varies any term of its Constitution without the prior written consent of the Lead Manager;

(xvi) any member of the Group or SaleCo becomes insolvent, or there is an act or omission which is likely to result in a member of the Group or SaleCo becoming insolvent;

(xvii) if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company or SaleCo to perform its obligations under the Underwriting Agreement, such that the Company or SaleCo is rendered unable to perform its obligations under the Underwriting Agreement;

(xviii) a change to the positions held by Cameron Henry or Ryan McFarlane, or there is a change in the board of directors of the Company or SaleCo;

(xix) Cameron Henry, Ryan McFarlane, or a Director vacates his or her office (or announces an intention to do so); or

(xx) any of the following occurs:

(A) a director of the Company or SaleCo is charged with an indictable offence; or

(B) any director of the Company or SaleCo is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.

(c) Termination Subject to Materiality

The Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo at any time from the date of the Underwriting Agreement until 10.00am on the Settlement Date or any other earlier time as specified below, if any of the following events occurs, provided that it believes acting reasonably the event: (a) has, or is likely to have, a materially adverse effect on the success, settlement, outcome or marketing of the Offer, or the ability of the Lead Manager to market, promote or settle the Offer, or the willingness of investors to subscribe for Shares under the Offer; or (b) will, or is likely to, give rise to a liability of the Lead Manager or its affiliates of any applicable law:

(i) any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules, or any other applicable law or regulation;

(ii) there occurs a new circumstance that arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement (as applicable), that is materially adverse from the point of view of an investor;

(iii) a statement in any of the Public Information (as defined in the Underwriting Agreement) (other than the Offer Documents), is or becomes misleading or deceptive or is likely to mislead or deceive;

(iv) the Due Diligence Report (as defined in the Underwriting Agreement) is, or becomes, false, misleading or deceptive, including by way of omission;

(v) any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of a Group member to the Lead Manager in connection with the Offer is, or is found to be, misleading or deceptive or likely to mislead or deceive (including by omission);

(vi) any of the following occurs:

(A) the commencement of legal proceedings against the Company, SaleCo or any other member of the Group or against any director of any of them in that capacity; or

(B) any regulatory body commences any inquiry against any member of the Group or SaleCo or the Company;

(vii) any of the obligations of the relevant parties under any of the Material Contracts (as defined in the Underwriting Agreement) are not capable of being performed in accordance with their terms (in the opinion of the Lead Manager) or if all or part of any of the Material Contracts

(A) is terminated, withdrawn, rescinded avoided or repudiated;

(B) is altered, amended or varied without the consent of the Lead Manager;

(C) is breached, or there is a failure by a party to comply;

(D) ceases to have effect, otherwise than in accordance with its terms; or

(E) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn rescinded, avoided or withdrawn or of limited force and affect, or its performance is or becomes illegal

(viii) an event occurs which is, or is likely to give rise to:

(A) an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those disclosed in this Prospectus lodged with ASIC; or

(B) an adverse change in the nature of the business conducted by the Group as disclosed in this Prospectus lodged with ASIC;

(ix) there are not, or there ceases to be, reasonable grounds in the opinion of the Lead Manager (acting reasonably) for any statement or estimate in the Offer Documents which relate to a future matter or any statement

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or estimate in the Offer Documents which relate to a future matter is, in the opinion of the Lead Manager (acting reasonably), unlikely to be met in the projected timeframe (including in each case financial forecasts);

(x) a statement in any closing certificate supplied under the Underwriting Agreement is false, misleading, inaccurate or untrue or incorrect;

(xi) there is a contravention by the Company, SaleCo or any other member of the Group of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), the *Australian Securities and Investments Commission Act 2001* (Cth), its Constitution, the Listing Rules or any other applicable law;

(xii) a representation or warranty contained in the Underwriting Agreement on the part of the Company or SaleCo is breached, becomes not true or correct or is not performed;

(xiii) there is a contravention by the Company or SaleCo or any entity in the Group of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), the *Australian Securities and Investments Commission Act 2001* (Cth), its constitution, the Listing Rules or any other applicable law;

(xiv) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);

(xv) in respect of any one or more of Australia, the United States, Canada, the United Kingdom and the Peoples' Republic of China:

(A) hostilities not presently existing commence;

(B) a major escalation in existing hostilities occurs (whether war is declared or not);

(C) a declaration is made of a national emergency or war; or

(D) a major terrorist act is perpetrated; and

(xvi) any of the following occurs:

(A) a general moratorium on commercial banking activities in Australia, the United States, Canada, the United Kingdom and the Peoples' Republic of China is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;

(B) any adverse effect on the financial markets in Australia, the United States, Canada, the United Kingdom and the Peoples' Republic of China, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or

(C) trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange or the TSX is suspended for at least one day on which that exchange is open for trading.

(d) Representations, Warranties, Undertakings and Other Terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Lead Manager (as well as common conditions precedent, including due diligence, lodgement of the Prospectus and the entry into a voluntary escrow agreement by each of the Existing Shareholders).

The representations and warranties given by the Company and SaleCo include matters such as conduct of the Company and SaleCo, power and authorisations, information provided by the Company including disclosures and financial information, information in this Prospectus and other public information, no encumbrances over the New Shares or Sale Shares, the conduct of the Offer, no breach and compliance with laws, litigation, the Listing Rules and other legally binding requirements. The Company also provides additional representations and warranties including in relation to its internal controls, accounts, taxation, occupational health and safety, title to property, licences, insurance and eligibility for Listing.

The Company's and SaleCo's undertakings include that it must each, after becoming aware, notify the Lead Manager of any breach of any obligation, representation, warranty or undertaking given by it under the Underwriting Agreement and keep the Lead Manager fully informed of the non-satisfaction of any of the conditions precedent under the Underwriting Agreement.

The Company's undertakings also include that they must:

(i) not, without the prior written consent of the Lead Manager or as disclosed in the Prospectus at any time after the date of the Underwriting Agreement and up to 180 days after Completion, allot, or agree to allot, or indicate in any way that it may or will allot, or agree to allot, any Shares or other securities that are convertible

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or exchangeable into equity, or that represent the right to receive equity, of the Company or any member of the Group other than pursuant to the Offer, the Underwriting Agreement, an employee share plan, or a non-underwritten dividend reinvestment or a bonus share plan;

(ii) carry on its business, and procure that each member of the Group carries on its business in the ordinary course and not dispose (or permit any other member of the Group to dispose) of any material part of its (or their) business or property except in the ordinary course, in each case from the date of the Underwriting Agreement until 180 days after Completion;

(iii) not, from the date of the Underwriting Agreement until 180 days after Completion:

(A) alter the capital structure of the Company;

(B) amend the Constitution; or

(C) dispose of the Company's business or property in whole or substantial part,

except with the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed).

(e) Indemnity

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct, recklessness or gross negligence by the Lead Manager and its Representatives (as defined in the Underwriting Agreement) (**Indemnified Party**), the Company and SaleCo on a joint and several basis unconditionally and irrevocably agree to indemnify and hold harmless of the Indemnified Parties from and against all Losses (as defined in the Underwriting Agreement) directly or indirectly suffered or incurred in connection with the Offer and the appointment of the Lead Manager pursuant to the Underwriting Agreement

9.2 CLIENT CONTRACTS

The core of the Company's operations are the provision of EPC services through contractual relationships with its clients. The Company's current material client contracts are detailed below.

(a) Barker Inlet Power Station

Primero has entered into a contract with Wärtsilä Australia Pty Ltd (**Wärtsilä**) as a subcontractor to undertake, among other things, development, design, construction, testing and commissioning works of the Barker Inlet Power Station to be built for AGL Barker Inlet Pty Ltd (**AGL**) at Torrens Island in South Adelaide. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 18 April 2018 with practical completion to take place in August 2019, unless extended by mutual agreement;

(ii) (**Remuneration**): the contract is for a fixed sum which becomes payable upon satisfaction of pre-determined milestones. The contract price may be adjusted based on real quantities actually performed for the work, in order to meet the required design specifications;

(iii) (**Security**): Primero is required to provide, within 7 days from the commencement of the contract, an unconditional and on demand bank guarantee for a percentage of the contract sum to guarantee its performance of the contract works;

(iv) (**Liability to Principal**): Primero has entered into a direct deed with Wärtsilä and AGL, pursuant to which Primero owes obligations directly to AGL, in addition to the obligations owed by Primero to Wärtsilä under the contract;

(v) (**Termination**): Wärtsilä may terminate the contract:

(A) immediately if:

(1) an event of default in respect of Primero has occurred and Primero has not, within 5 business days, provided or complied with a plan to remedy the event of default or overcome its effects within the stated period;

(2) Primero becomes insolvent; or

(3) Primero's aggregate liability under the contract generally and for liquidated damages which is capped under the contract reaches that cap and the cap is not increased by more than 10% following a request by Wärtsilä;

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(B) if a force majeure event is or will prevent or delay its non-financial obligations under the contract for a continuous period of six months or more, or nine months or more in aggregate; or

(C) for convenience by giving written notice to Primero specifying the date of termination;

(vi) (**Indemnity**): Primero must indemnify Wärtsilä and its related entities (up to the applicable liability cap) against any claim or loss arising out of, or in connection with:

(A) loss of or damage to any real or personal property;

(B) injury to, or death or disease of, any person;

(C) any contamination introduced to the facility land by Primero;

(D) any claim brought against AGL, Wärtsilä and their related entities as a result of Primero or its associates failing to comply with applicable environmental requirements;

(E) any claim brought against AGL or Wärtsilä alleging that AGL or Wärtsilä failed to comply with work health and safety requirements or applicable environmental requirements as a result of Primero's breach of the contract;

(F) any claim or loss brought against, suffered or incurred by AGL or Wärtsilä to the extent caused by Primero or its associates failing to comply with applicable legislative requirements,

to the extent and to the proportion caused by Primero or its associates or Primero's failure to take reasonable steps to mitigate the claim or loss.

(vii) (**Assignment**): Primero may not assign or transfer its rights or obligations arising out of or under the contract without the prior written consent of Wärtsilä.

(b) Bald Hill Processing Plant – Operation and Maintenance

Primero has entered into a contract with Lithco No 2 Pty Ltd (**Lithco**) as agent for and on behalf of the Bald Hill Joint Venturers and Alliance Minerals Assets Ltd to undertake the operation and maintenance of the works at its Bald Hill mine in the Eastern Goldfields of Western Australia. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 21 February 2018 and is for a term of two years, unless extended by mutual agreement;

(ii) (**Remuneration**): the contract applies a fixed rate based on an agreed schedule of rates for the duration of the project. Additional costs may only be payable if Primero obtains prior written approval from Lithco. Primero is also entitled to a tonnage bonus payment if Primero is able to maximise the tonnage of product produced with respect to the services performed during the contract;

(iii) (**Termination**): Lithco may terminate the whole or part of the contract for convenience by giving Primero 30 days written notice. If the contract is terminated in these circumstances, Primero is entitled to a termination payment based on the duration the contract has been on foot;

(iv) (**Indemnity**): Primero must indemnify Lithco (up to the applicable liability cap) against:

(A) loss of or damage to any real or personal property (including property of Lithco);

(B) claims by any person against Lithco including in respect of personal injury, death or loss of, or for damage to any other property; and

(C) any claim or loss, howsoever caused, brought against, suffered or incurred by Lithco, arising out of or in connection with:

(1) Primero's breach of contract; or

(2) any negligent act or omission by Primero or its subcontractors, employees, agents, contractors or consultants,

to the extent and to the proportion arising out of or as a consequence of the carrying out by Primero the work under the contract; and

(v) (**Assignment and Change in Control**): Primero may not assign the contract without the prior written consent of Lithco. Any change in control of Primero is deemed to be an assignment and will similarly require the written consent of Lithco. Admission to the official list of ASX is expressly excluded from being a change in control event.

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

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(c) Bald Hill – Non-Process Infrastructure

Primero has entered into a contract with Lithco as agent for and on behalf of the Bald Hill Joint Venturers and Alliance Minerals Assets Ltd for the engineering, design, procurement, construction and commissioning of non-process infrastructure works at its Bald Hill mine site in the Eastern Goldfields of Western Australia. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 11 December 2017 and is due for practical completion in June 2018 following a variation to the original practical completion date;

(ii) (**Remuneration**): Primero is entitled to claim payment progressively on the last day of each month;

(iii) (**Security**): Primero is required to provide, on demand, two unconditional and irrevocable bonds for a percentage of the contract sum to guarantee its performance of the contract works;

(iv) (**Termination**): Lithco is entitled to terminate the contract:

- (A) for convenience by giving Primero 30 days' written notice;
- (B) immediately if Primero commits a substantial breach and fails to show cause; or
- (C) immediately if Primero becomes insolvent;

(v) (**Indemnity**): Primero must indemnify Lithco (up to the applicable liability cap) against:

- (A) loss or damage to any real or personal property (including the property of Lithco);
- (B) claims by any person against Lithco, including in respect of personal injury or death or loss of, or for damage to any other property; and
- (C) any claim or loss, however, cause, brought against, suffered or incurred by Lithco, arising out of or in connection with:
  - (1) Primero's breach of contract; or
  - (2) any negligent act or omission by Primero or its subcontractors, employees, agents, contractors or consultants,

  to the extent and to the proportion arising out of or as a consequence of the carrying out by Primero the work under the contract; and

(vi) (**Assignment**): Primero may not assign or novate the contract without the prior written consent (acting reasonably) of Lithco.

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

(d) Marandoo Southern Waste Fines Distribution Pipeline

Primero has entered into a contract with Hamersley Iron Pty Ltd (**Hamersley Iron**) for the provision of detailed structural, mechanical, piping and electrical design of all infrastructure associated with the waste fines pumping system and gland water system, decant system and underdrainage system. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 18 December 2017. Following changes to the scope of work, the contract is expected to complete in February 2019;

(ii) (**Remuneration**): Primero is to issue invoices monthly for work undertaken pursuant to the contract, upon which Hamersley Iron is obligated to pay the prescribed percentages of the invoice, the remainder of which is held over until practical completion unless Primero enters into a bank guarantee for the held over amount;

(iii) (**Security**): Primero is required to provide, on demand, an unconditional and irrevocable bond for a percentage of the contract sum to guarantee its performance of the contract works;

(iv) (**Termination**): Hamersley Iron may terminate the contract:

- (A) at any time, in its absolute discretion by giving Primero not less than 21 days' notice;
- (B) immediately in the event that Primero's key persons are not able to perform their duties under the contract;
- (C) immediately in the event of insolvency or bankruptcy of Primero; or
- (D) if Primero is in default and fails to remedy the default within 14 days after being provided with notice of the default;

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(v) (**Indemnity**): Primero must indemnify and keep indemnified Hamersley Iron, any member of the Rio Tinto group and its personnel against liabilities caused by:

(A) the performance of the works and the work under the contract; and

(B) the presence of Primero, its officers, employees or sub-contractors on or about the site,

including but not limited to injury to or death of any person and damage to or destruction of any property irrespective of the negligence of the company the Rio Tinto group having an interest in the subject matter of the contract, and their respective personnel except where the claims, demands, damages, costs, losses, expenses or liabilities incurred or suffered as a result of the sole negligence of Hamersley Iron; and

(vi) (**Assignment**): Primero may not assign or sub-contract except with the prior written consent of Hamersley Iron (such consent may be refused without giving reasons).

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

(e) West Angelas AHS Acceleration Project – Infrastructure Modification Works

Primero has entered into a contract with Robe River Mining Co. Pty Ltd as agent for and on behalf of the participants in the Robe River Iron Associates Joint Venture (**Robe JV**) to modify the heavy mobile equipment refuelling facility and other associated works as part of the West Angelas AHS Acceleration Project. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 20 April 2018 and is due for practical completion on 30 September 2018;

(ii) (**Remuneration**): Primero is to issue invoices monthly for work undertaken pursuant to the contract, upon which the Robe JV is obligated to pay the prescribed percentages of the invoice, the remainder of which is held over until practical completion unless Primero enters into a bank guarantee for the held over amount;

(iii) (**Security**): Primero is required to provide, on demand, an unconditional and irrevocable bond for a percentage of the contract sum to guarantee its performance of the contract works;

(iv) (**Termination**): the Robe JV may terminate the contract:

(A) at any time, in its absolute discretion by giving Primero not less than 21 days' notice;

(B) immediately in the event that Primero's key persons are not able to perform their duties under the contract;

(C) immediately in the event of insolvency or bankruptcy of Primero; or

(D) if Primero is in default and fails to remedy the default within 14 days after being provided with notice of the default;

(v) (**Indemnity**): Primero must indemnify and keep indemnified the Robe JV, any member of the Rio Tinto group and its personnel against liabilities caused by:

(A) the performance of the works and the work under the contract; and

(B) the presence of Primero, its officers, employees or sub-contractors on or about the site,

including but not limited to injury to or death of any person and damage to or destruction of any property irrespective of the negligence of the company the Rio Tinto group having an interest in the subject matter of the contract, and their respective personnel except where the claims, demands, damages, costs, losses, expenses or liabilities incurred or suffered as a result of the sole negligence of Hamersley Iron; and

(vi) (**Assignment**): Primero may not assign or sub-contract except with the prior written consent of the Robe JV (such consent may be refused without giving reasons).

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

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(f) Sub-contract for Labour Hire Services

Primero has entered into a contract with RCR Resources Ltd (**RCR**) for the provision of labour hire services in connection with the mechanical installation of a ball mill at the Pilgangoora lithium/tantalum project process plant. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 13 November 2017 and is due for practical completion in July 2018 following a variation to the original practical completion date;

(ii) (**Remuneration**): Primero must claim payment on a monthly basis progressively in accordance with the contract for services rendered;

(iii) (**Termination**): RCR may terminate the contract:

- (A) immediately if Primero is in default of its obligations under the contract and fails to show cause;
- (B) immediately if Primero becomes insolvent; or
- (C) immediately for convenience by giving written notice to Primero;

(iv) (**Indemnity**): Primero indemnifies RCR against any claim or loss or damage which RCR is liable for (up to the applicable liability cap) in respect of:

- (A) death, disease or illness or personal injury to persons;
- (B) loss of, or damage to, any real or personal property; and
- (C) any breach of the contract; and

(v) (**Assignment and Change in Control**): Primero may not assign the contract or materially change the shareholding or beneficial ownership of Primero without the prior written consent of RCR.

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

(g) Tujuh Bukit – OPP Circuit Upgrade

Primero has entered into a contract with PT Bumi Sukesindo to design a parallel ore preparation plant at the Tujuh Burkit Plant to increase the capacity of its operation. The following material terms and conditions apply:

(i) (**Term**): on 19 January 2018, PT Bumi Sukesindo accepted a proposal from Primero to perform the contracted services by 13 June 2018;

(ii) (**Remuneration**): the contract applies a fixed rate based on an agreed schedule of rates for the duration of the project. Primero must submit progress claims on a monthly basis and PT Bumi Sukesindo must make payment no later than 30 days after receiving an invoice;

(iii) (**Termination**): PT Bumi Sukesindo may terminate the contract:

- (A) for any reason after giving reasonable written notice to Primero; or
- (B) if Primero commits a substantial breach of the contract and fails to show reasonable cause by the specified date (which must not be less than 5 business days) of receiving a notice detailing the alleged breach;

(iv) (**Indemnity**): Primero indemnifies PT Bumi Sukesindo from and against all liability, losses, damages, costs and expenses (including legal expenses), due to:

- (A) Loss of, damage to, or destruction of any property (including any deliverables); or
- (B) Personal injury (including psychological injury) or death,

To the extent contributed by any breach of the contract by Primero or negligent or unlawful act or omission of Primero, its officers, employees, agents, sub-consultants or subcontractors in connection with the contract; and

(v) (**Assignment**): Primero may not assign the whole or any part of the contract or any benefit or interest in or under the contract without the prior agreement of PT Bumi Sukesindo.

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(h) Browns Range Rare Earths Processing Facility

Primero has entered into a contract with SinoSteel Equipment and Engineering Co Ltd (**SinoSteel**) and Northern Minerals Limited for the provision of various works in respect of the Browns Range Rare Earth Processing Facility including detailed earthworks, concrete works, SMP installation, E&I installation, testing and commissioning. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 3 October 2017 and is due for practical completion on 31 May 2018;

(ii) (**Remuneration**): subject to any right of set off, Primero is entitled to the costs for works under undertaken based on the agreed rates and adjusted based on the difference of actual costs incurred as compared to the target cost estimate for the project. If at any time the actual costs exceed the estimated costs, all work rates will be discounted by the prescribed amount;

(iii) (**Termination**): SinoSteel may terminate the contract:

- (A) if Primero is in default or has breached a warranty and has failed to rectify the default or breach within a reasonable time;
- (B) immediately if Primero becomes insolvent; or
- (C) immediately for convenience by giving written notice to Primero;

(iv) (**Indemnity**): Primero indemnifies SinoSteel and its related entities and their directors, officers, employees and agents from and against any and all suits, actions, claims, demands, losses, damages, costs and expenses of any nature (including legal fees and expenses) (up to the applicable liability cap) in respect of or in connection with:

- (A) personal injury, illness, disability or death of any person;
- (B) any claim by Primero or any of Primero's personnel in respect of income tax, workers compensation, leave entitlements, superannuation or any applicable award, determination or agreement;
- (C) loss of or damage to any property (real or personal) of any person; and
- (D) to the extent and to the proportion cause by the acts and omissions of Primero; and

(v) (**Assignment**): Primero may not assign or novate the contract without the prior written consent of SinoSteel (not to be unreasonably withheld).

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

(i) Yamarna Gas Pipeline

Primero has entered into a contract with APA Operations Pty Ltd (**APA**) for the supply of skids to the Yamarna project. The following material terms and conditions apply:

(i) (**Term**): the contract commenced on 14 August 2017 and is due for practical completion in May 2018 following a variation to the original practical completion date;

(ii) (**Remuneration**): in consideration for Primero supplying the goods and performing the services, Primero is entitled to payment under the contract;

(iii) (**Security**): Primero has provided bank guarantees to secure its performance of the contract;

(iv) (**Termination**): APA may terminate the contract:

- (A) immediately if Primero is in breach of any material obligations under the contract, becomes insolvent or any of its personnel engages in conduct, in APA's reasonable opinion, serious misconduct, wilful misconduct or incompetent or breach of any relevant work or occupational health and safety laws;
- (B) if Primero is in breach of the contract and fails the remedy the breach within 30 days of being provided with notice of the breach; or
- (C) for convenience by giving Primero 30 days' written notice. Primero will be entitled to payment for goods and services performed up to the date of termination and for extra costs necessarily and reasonably incurred;

(v) (**Indemnity**): Primero must indemnify APA, its related bodies corporate and their respective personnel of all damages suffered or incurred by, or any claim brought against APA, its related bodies corporate or their respective personnel (up to the applicable liability cap) arising from or in any way related to:

(A) a negligent act or omission, wilful misconduct of Primero, their related companies or respective personnel in connection with the contract;

(B) a claim, demand, suit, action or proceeding by a third party arising from an act or omission of Primero, its related companies or respective personnel in relation to contract; and

(C) a claim, demand, suit action or proceeding by a third party alleging that the goods, services or their use infringes the intellectual property rights of any person,

Primero's liability will be reduced in proportion to APA's negligence, breach of contract or wilful misconduct; and

(vi) (**Assignment**): Primero must not assign, transfer, encumber or otherwise deal with the contract without the prior written consent of APA (not to be unreasonably withheld or delayed).

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

(j) James Bay Feasibility Study

Primero has entered into a contract with Galaxy Lithium (Canada) Inc, a subsidiary of Galaxy Resources Limited (**Galaxy**) to assist Galaxy demonstrate the technical and economic viability of Galaxy's James Bay Project located in northwest Quebec by undertaking a technical feasibility study. The following material terms and conditions apply:

(i) (**Term**): the contract commenced in August 2017 and is due for practical completion in June 2018;

(ii) (**Remuneration**): Primero is entitled to hour rates for services provided, with chargeable hours capped at 40 hours per week, unless prior approval is obtained from Galaxy;

(iii) (**Termination**): Galaxy may terminate the contract:

(A) at any time in its sole and absolute discretion by giving Primero 10 business days prior notice;

(B) immediately by notice if Primero is in breach of its obligations under the contract and fails to remedy the breach within 5 business days of being provided with notice of the breach if the breach of capable of being remedied;

(C) immediately by notice if Primero is in breach of its obligations under the contract and that breach is not capable of being remedied; and

(D) immediately if Primero becomes insolvent;

(iv) (**Indemnity**): Primero must indemnify Galaxy for any damage or loss director or indirect suffered by Galaxy for a wilful or negligent act or omission of any Primero personnel and any breach of or default by Primero or its personnel. Primero is not liable under the indemnity to the extent the loss arose as a result of Galaxy's own acts of negligence or omission;

(v) (**Assignment**): Primero may not assign or novate its rights under the contract without Galaxy's prior written consent.

The remainder of the contract is on customary commercial terms typical for a contract of this nature.

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9.3 FINANCE FACILITIES

(a) Business Finance Agreement – Westpac Banking Corporation

Primero has entered into a business finance agreement with Westpac Banking Corporation (**Westpac**). Under the agreement, Westpac has agreed to provide a A$2,000,000 overdraft facility to Primero at a variable base interest rate of 7.87% per annum.

The facility is secured by a fixed and floating charge over all the existing and future assets and undertakings of Primero and a guarantee and indemnity in favour of Westpac by Messrs Peter Grigsby, Cameron Henry, Dean Ercegovic and Ben Davies.

Under the agreement, Primero has given standard representations, warranties and undertakings for facilities of this kind. Events of default include failure to make any payments due to Westpac, breach of the agreement or any security agreement which are not remedied to Westpac's satisfaction within 14 days, gives information that is misleading or incorrect to Westpac, commits an act of bankruptcy, an administrator, receiver, liquidator or similar officer is appointed, is placed under administration or is insolvent or presumed to be insolvent under law.

(b) Contract Performance Bond Facility – Assetinsure Pty Ltd

Primero has entered into a contract performance bond facility with Assetinsure Pty Ltd (**Assetinsure**) as agent for Swiss Re International SE (**Surety**). Under the facility, Assetinsure has agreed to provide up to A$6,230,000 worth of performance, maintenance, advance payment, retention release, off-site material, bid/tender or bank fronted bonds. Interest contract performance bond. A fee will be charged on each bond in advance for the full period that the bond is anticipated to be required at the rate of 2.5% per annum, calculated on the bond amount pro-rata daily. A minimum fee of A$1,000 per bond applies.

The facility is secured by a guarantee and indemnity in favour of Westpac by Primero, the Existing Shareholders and personal guarantees from Messrs Cameron Henry, Dean Ercegovic, Ryan McFarlane, Peter Grigsby, Brett Grosvenor and Ben Davies.

Assetinsure may terminate the facility agreement if an event of default occurs which includes Primero becoming or is presumed to have become insolvent, insolvency proceeding are taken against Primero, an external controller (such as a liquidator, receiver or administrator) is appointed or Primero is in breach of the facility agreement.

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10.
ADDITIONAL INFORMATION

10. ADDITIONAL INFORMATION Continued

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10.1 INCORPORATION

The Company was incorporated in Western Australia on 21 March 2011 as a proprietary company limited by shares and was converted to a public company limited by shares on 27 March 2018.

SaleCo was incorporated in Western Australia on 28 March 2018 as a public company limited by shares.

10.2 BALANCE DATE AND COMPANY TAX STATUS

The Company expects to be taxed in Australia as a public company. The financial year of the Company will end on 30 June annually.

10.3 CORPORATE STRUCTURE CHART

The following diagram represents the Company's corporate structure.

FIGURE 10.1: CORPORATE STRUCTURE CHART

10.4 SALE OF SHARES BY SALECO

SaleCo, a special purpose vehicle, has been established to facilitate the sale of the Sale Shares by Selling Shareholders.

Shares that SaleCo acquires from the Selling Shareholders under sale agreements between Selling Shareholders and SaleCo who determine to sell their Shares will be transferred to successful applicants under the Offer at the Offer Price free from encumbrances and third party rights. The price payable by SaleCo to Selling Shareholders for those Shares is the Offer Price less any costs. The Selling Shareholders have agreed to sell 12,500,000 Shares to SaleCo.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement and the sale agreements detailed above. The directors of SaleCo are Messrs Cameron Henry, Dean Ercegovic and Peter Grigsby, and the sole shareholder of SaleCo is Mr Cameron Henry. The Company has indemnified SaleCo and each director and the shareholder of SaleCo for any loss which SaleCo or any director or the shareholder of SaleCo may incur as a consequence of the Offer. However, neither the Company nor SaleCo will be responsible for paying any tax incurred by any selling Shareholder as a result of transferring or selling Shares pursuant to the their respective sale agreement.

10.5 EMPLOYEE INCENTIVE PLAN

The Company has adopted the Employee Incentive Plan which has been designed to align employees' interest with those of its Shareholders. This is achieved by making offers of Employee Incentives to reward and retain certain employees, consultants and directors of the Company, and to attract future talent.

(a) Offers to Eligible Participants

To achieve the abovementioned objectives of rewarding, retaining and attracting employees, consultants and directors of the Company (subject to any requisite Shareholder approvals), the Employee Incentives granted under the Employee Incentive Plan may be subject to performance criteria or time-based exercise conditions as determined by the Board, in its sole and absolute discretion.

Under the Employee Incentive Plan, the Company may offer Plan Shares, Plan Options or Plan Performance Rights. The terms and conditions of each of these types of grant are outlined below.

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(i) Offer

Written offers of Employee Incentives can be made by the Board, in its absolute discretion, to Eligible Participants (defined below). The terms and conditions of such offers will be detailed in the written offers made to Eligible Participants and the Employee Incentive Plan.

(ii) Eligibility

Under the Employee Incentive Plan, the following will be **Eligible Participants**:

(A) Directors, employees or other consultant to the Company, who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Plan Shares, Plan Options or Plan Performance Rights under the Employee Incentive Plan; or

(B) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Plan Shares, Plan Options or Plan Performance Rights under the Employee Incentive Plan.

(iii) Consideration

Eligible Participants will not be required to make any payment in consideration for the grant of an Employee Incentive under the Employee Incentive Plan, unless the Board otherwise determines.

Under the Employee Incentive Plan, the Board has the discretion to allow a Plan Optionholder to set-off the exercise price of Plan Options against the number of Plan Shares that the Plan Optionholder is entitled to receive upon exercise of the Plan Options, allowing the Plan Optionholder to receive Plan Shares to the value of the surplus after the exercise price has been set-off.

(iv) Maximum allocation

Under the Employee Incentive Plan, the Company may not make offers of Employee Incentives where the aggregate number of Plan Shares, Plan Options or Plan Performance Rights issued in the previous three years exceeds 10% of the total number of Shares of the Company on issue at that time. Such a limit is contained in the Employee Incentive Plan.

(v) Employee Loans

Where an Eligible Participant is issued Employee Incentives, the Board in its absolute discretion may choose to make an interest-free, limited recourse loan to the Eligible Participant for a part, or the whole, of the issue price relating to the Employee Incentives to be granted to that Eligible Participant.

(b) Terms of Shares

Shares issued under the Employee Incentive Plan will be issued on the same terms as outlined in Section 10.13 and may be subject to certain conditions made in connection with the offer (**Offer Conditions**). Shares subject to Offer Conditions will remain restricted securities until the Offer Conditions have been satisfied. If the participant ceases to be an Eligible Participant prior to satisfaction of the Offer Conditions, the Company has the right to buy-back the Shares. The Company may also buy-back the Shares where the participant has acted fraudulently or dishonestly or the Board determines that any Offer Conditions have not been met by the relevant expiry date.

(c) Terms of Plan Options

As at the date of this Prospectus, no Plan Options have been issued to Eligible Participants under the Employee Incentive Plan. The terms of the Plan Options are outlined below.

(i) Entitlement

Each Plan Option entitles the Plan Optionholder to subscribe for one Share upon payment of the Exercise Price.

(ii) Exercise Price and Expiry Date

The written offer made to each Eligible Participant will set out any exercise price (**Exercise Price**) and expiry date (**Expiry Date**) relevant to the Plan Option being issued.

(iii) Vesting Conditions and Exercise Period

The Board may issue Plan Options to Eligible Participants with vesting conditions (**Vesting Conditions**) attached to them. Such Vesting Conditions may include performance criteria or time-based exercise conditions.

Any Vesting Conditions attached to Plan Options will be detailed in the written offer made to each Eligible Participant.

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(iv) Shares issued on exercise

Any shares issued to a Plan Optionholder upon the exercise of their Plan Option will rank equally with the other Shares of the Company. Such Shares will be issued as fully-paid and free of all encumbrances, liens and third party interests.

(v) Participation in new issues, voting rights and dividends

Plan Optionholders, while they hold Plan Options only, will not be entitled to vote, receive any dividends or participate in new issues of capital offered to Shareholders. Such rights and entitlements will only arise once the Plan Options have been exercised and the Plan Optionholder becomes a Shareholder.

(vi) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Plan Option will be reduced according to the following formula (as contained in Listing Rule 6.22):

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

- O = the old Exercise Price of the Plan Option.
- E = the number of underlying Shares into which one Plan Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(vii) 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):

(A) the number of Shares which must be issued on the exercise of a Plan Option will be increased by the number of Shares which the Plan Optionholder would have received if the Plan Optionholder had exercised the Plan Option before the record date for the bonus issue; and

(B) no change will be made to the Exercise Price on the Plan Options.

(viii) Adjustment for reorganisation

If the Company undertakes a reorganisation of its issued share capital, the rights of Plan Optionholders will be varied to comply the Listing Rules which apply to the reorganisation at that time.

(ix) Liquidity Event

In the event of a sale of all of the Shares or a sale of all or substantially all of the assets of the Company, the Board in its absolute discretion may waive any Vesting Condition attaching to any Plan Options on issue.

(d) Terms of Plan Performance Rights

At the date of this Prospectus, no Plan Performance Rights have been issued to Eligible Participants under the Company's Employee Incentive Plan. The terms of the Plan Performance Rights are outlined below.

(i) Entitlement

Each Plan Performance Right entitles the Plan Performance Right holder to be issued one Share upon the satisfaction of any relevant Performance Condition (defined below) within the Performance Period.

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(ii) Performance Conditions and Performance Period

The Plan Performance Rights will be subject to applicable performance conditions (**Performance Conditions**) which must be satisfied during the **Performance Period**, which is specified by the Board in the written offer made to an Eligible Participant.

(iii) Notice of Performance Condition

The Board will notify an Eligible Participant whether they have satisfied the Performance Condition at the end of the Performance Period.

(iv) Lapse of Plan Performance Rights

Unless otherwise determined by the Board, the Plan Performance Rights automatically lapse if:

(A) the Eligible Participant ceases to be an Eligible Participant;

(B) the Performance Condition has not been satisfied within the Performance Period;

(C) if the Board determines in its reasonable opinion that the Performance Conditions have not been met and will not be able to be met within the Performance Period;

(D) where the Eligible Participant has, by any act or omission, brought the Company into disrepute;

(E) where the Eligible Participant notifies the Company that it has elected to surrender the Plan Performance Right; or

(F) the occurrence of any other circumstances specified in the written offer made to the Eligible Participant which may result in the lapsing of the Plan Performance Right.

(v) Shares issued on conversion of Plan Performance Rights

Any Shares issued upon the conversion of an Eligible Participant's Plan Performance Rights will rank equally with the other Shares of the Company. Such Shares will be issued as fully-paid and free of all encumbrances, liens and third party interests.

(vi) Participation in new issues, voting rights and dividends

Plan Performance Rights holders, while they hold Plan Performance Rights only, will not be entitled to vote, receive any dividends or participate in new issues of capital offered to Shareholders. Such rights and entitlements will only arise once the Plan Performance Rights have converted into Shares and the Plan Performance Rights holder becomes a Shareholder.

(vii) Board may add to or vary Plan Performance Rights

The Board may add to or vary any Eligible Participant's Plan Performance Rights, in a manner that increases the overall benefit to the Eligible Participant, if the Eligible Participant is promoted, receives an increase in remuneration, or if the Eligible Participant's professional circumstances change such that the Board considers the previous Plan Performance Rights to be no longer appropriate.

(viii) Adjustments for reorganisation

Subject to the Listing Rules, the number of Plan Performance Rights held by an Eligible Participant under the Employee Incentive Plan may, in the sole and absolute discretion of the Board, be determined to be such number as is appropriate and so that the Eligible Participant does not suffer any material detriment following any reorganisation of the share capital of the Company.

(e) Good Leaver

Where an participant who holds Employee Incentives becomes a Good Leaver, all vested Employee Incentives which have not been exercised will continue in force and remain exercisable for 90 days after the date the participant becomes a Good Leaver, unless the Board determines otherwise in its sole and absolute discretion, after which the Employee Incentives will lapse. A Good Leaver is a person who is not a Bad Leaver. A Bad Leaver includes a person who is dismissed from office for serious or persistent breach of their terms of employment, a Director who has become disqualified, or a person who has committed some other fraudulent, dishonest or negligent act.

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(f) Change of Control

All granted Plan Performance Rights which have not yet vested or lapsed will automatically and immediately vest, and a Participant may exercise any or all of their Plan Options, regardless of whether the Vesting Conditions have been satisfied (provided that no Plan Option will be capable of exercise later than the Expiry Date), if any of the following change of control events occur:

(i) the Company announces Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(ii) a takeover bid:

  (A) is announced;

  (B) has become unconditional; and

  (C) the person making the takeover bid has a Relevant Interest in 50% or more of the issued Shares; or

(iii) any person acquires a Relevant Interest in 50.1% or more of the issued Shares by any other means.

(g) Non-Transferable and No Quotation

Plan Options and Plan Performance Rights are unquoted securities and may not be sold, transferred, assigned or novated except with the prior approval of the Board.

(h) Termination, Suspension or Amendment

The Board may terminate, suspend or amend the Employee Incentive Plan at any time subject to any resolution of the Company required by the Listing Rules.

(i) Disposal Restrictions on Shares

The Board may impose disposal restrictions on Shares issued under the Plan or acquired following the vesting of Plan Performance Rights or exercise of Plan Options as a condition of any offer. The Board may place a holding lock or similar arrangements on the Shares to give effect to the restrictions.

(j) Buy-back

The Company may buy-back Shares issued under the Employee Incentive Plan in certain circumstances in accordance with the rules of the Employee Incentive Plan.

10.6 OWNERSHIP RESTRICTIONS

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 10.6 contains a general description of these laws.

(a) *Foreign Acquisitions and Takeovers Act 1975* (Cth) and Commonwealth Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**).

Where a proposed acquisition of a Substantial Interest or Aggregate Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Commonwealth Treasurer and the Commonwealth Treasurer has either stated that there is no objection to the proposed acquisition in terms of Australia's Foreign Investment Policy or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a Substantial Interest or an Aggregate Substantial Interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, have passed.

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In addition, in accordance with Australia's Foreign Investment Policy, proposed acquisitions of a direct investment in an Australian company by foreign government investors and their associates must be notified to the Foreign Investment Review Board for prior approval, irrespective of the value of the investment. According to Australia's Foreign Investment Policy, a direct investment will typically include any investment of 10% or more of the shares (or other securities or equivalent interest or voting power) in an Australian company but may also include investment of less than 10% where the investor is building a strategic stake in the target or obtains potential influence or control over the target.

(b) Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of Relevant Interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer's (or another party's) voting power in that company would increase from 20% or below to more than 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or together with their associates.

10.7 SELLING RESTRICTIONS

This document does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

(a) United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, Securities in the United States. Any Securities described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

(b) United Kingdom

Neither this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

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(c) Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

(d) Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories detailed above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10.8 INTERESTS OF PROMOTERS, EXPERTS AND ADVISERS

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as follows and as disclosed in this Prospectus:

(a) Canaccord Genuity (Australia) Limited has acted as Lead Manager and sole Underwriter to the Offer and the fees payable to Canaccord Genuity (Australia) Limited pursuant to the Underwriting Agreement are detailed in Section 9.1;

(b) Moore Stephens Perth Corporate Services Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which has been included in Section 7. The Company has paid, or has agreed to pay, the Investigating Accountant approximately A$35,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to the Investigating Accountant under time-based charges;

(c) Moore Stephens has acted as auditor of the Company and prepared the audited financial statements of the Company for the years ended 30 June 2017, 30 June 2016 and 30 June 2015 and reviewed the financial statements of the Company for the half year ended 31 December 2017. The Company has paid, or has agreed to pay an amount of approximately A$81,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to Moore Stephens under time-based charges.

(d) DLA Piper Australia has acted as Australian legal adviser to the Company and SaleCo in relation to the Offer. The Company has paid or agreed to pay an amount of approximately A$180,000 (excluding disbursements and GST) in respect of these services up until the date of this Prospectus. Further amounts may be paid to DLA Piper Australia in accordance with its normal time-based charges; and

(e) Automic Pty Ltd is the Company's share registry, and will be paid for these services on standard industry terms and conditions.

10.9 CONSENTS

Each of the parties referred to in this Section:

(a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offer.

Canaccord Genuity (Australia) Limited has given its written consent to be named as Lead Manager and Underwriter to the Offer. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Moore Stephens Perth Corporate Services Pty Ltd has given its written consent to be named as the Investigating Accountant and to the inclusion of the Investigating Accountant's Report in Section 7 of the Prospectus in the form and context in which the report was included. Moore Stephens Perth Corporate Services Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Moore Stephens has given its written consent to be named as auditor to the Company. Moore Stephens has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

DLA Piper Australia has given its written consent to being named as Australian legal adviser to the Company and SaleCo. DLA Piper Australia has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Automic Pty Ltd has given its written consent to being named as the Australian share registry to the Company. Automic Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

10.10 REGULATORY RELIEF

The Company has obtained from ASIC a modification of Chapter 6 of the Corporations Act so that the voluntary escrow arrangements detailed in Section 4.7 do not give rise to a Relevant Interest for the Company in respect of the Shares held by Existing Shareholders.

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10.11 LITIGATION AND CLAIMS

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

10.12 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Applications and bids under this Prospectus are governed by the law applicable in Western Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia.

10.13 RIGHTS ATTACHING TO SHARES

A summary of the rights attaching to the Shares under the Offer is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy or attorney;

(ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right to vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend Rights

The Directors alone may declare a dividend to be paid to shareholders. The dividend is payable at a time determined in the directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may set aside the Company's profit any amount that they consider appropriate. This amount may be used in any way that profits can be used, and can be invested or used in the Company's business in the interim.

For further information in respect of the Company's proposed dividend policy, see Section 6.15.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is liability.

(e) Shareholder Liability

As the Shares to be issued under the Offers contained in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) Variation of Rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.14 RIGHTS ATTACHING TO LEAD MANAGER OPTIONS

At the date of this Prospectus, there are no Options on issue. The Company will issue 2,000,000 Options to the Lead Manager (and/or its nominee) in accordance with the Underwriting Agreement (refer to Section 9.1) following Completion (**Lead Manager Options**). The terms of the Lead Manager Options are summarised below:

(a) Entitlement

Each Lead Manager Option entitles the holder to subscribe for one Share upon exercise of the Lead Manager Option.

(b) Exercise Price

Subject to Section 10.14(j) below, the amount payable upon exercise of:

(i) 1,000,000 Lead Manager Options issued to the Lead Manager, will be A$0.50 each; and

(ii) 1,000,000 Lead Manager Options issued to the Lead Manager, will be A$0.60 each,

(**Exercise Price**).

(c) Expiry Date

Each Lead Manager Option will expire at 5:00pm on the date that is three years from the date of issue (**Expiry Date**). A Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

The Lead Manager Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the relevant Exercise Price for each Lead Manager 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 relevant Exercise Price for each Lead Manager Option being exercised in cleared funds (**Exercise Date**).

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(g) Timing of Issue of the Shares on Exercise

Within 15 business days after the later of the following:

(i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Lead Manager Option being exercised; and

(ii) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a Notice of Exercise as detailed in item 10.14(g)(i) above,

the Company will:

(iii) allot and issue the Shares pursuant to the exercise of the Lead Manager Options;

(iv) as soon as reasonably practicable and 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) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options.

(h) Shares Issued on Exercise

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

(i) Quotation of the 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 Lead Manager Options.

(j) Reconstruction of Capital

If at any time the issued capital of the Company is reconstructed, all rights of a Lead Manager 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 Lead Manager Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Lead Manager Options without exercising the Lead Manager Options.

(l) 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 a Lead Manager Option will be increased by the number of Shares which the holder would have received if the Lead Manager Options held by the holder had been exercised before the record date for the bonus issue; and

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

(m) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Lead Manager Option will be reduced according to the following formula in Listing Rule 6.22 so that the holder does not suffer any detriment as a result of the pro rata issue.

(n) Unquoted

The Company will not apply for quotation of the Lead Manager Options on ASX unless the Board resolves otherwise.

(o) Transferability

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

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10.15 EXPENSES OF OFFER

The total expenses of the Offer payable by the Company are:

TABLE 10.1: EXPENSES OF THE OFFER

Item of Expenditure	Amount (A$)
ASX Fees	115,500
Legal Fees	180,427
Lead Manager Legal Fees	45,000
Lead Manager Fee(1)	500,000
Underwriter Fees(2)	750,000
Investigating Accountant's Report	35,000
Share Registry, Typesetting and Printing Costs	19,640
Miscellaneous	40,000
TOTAL	**1,685,567**

Note:

(1) The Lead Manager will be paid a selling and management fee equal to 1% of the total funds raised under the Offer. The Lead Manager is also entitled to an additional management fee of A$250,000, being 1% of the total funds raised under the Offer, such amount being payable through the issue of 625,000 New Shares (issued at the Offer Price) under the Lead Manager Offer. Refer to Section 9.1.

(2) The Lead Manager, as underwriter to the Offer, will be paid an underwriting fee equal to 3% of the total funds raised under the Offer. Refer to Section 9.1.

10.16 CONTINUOUS DISCLOSURE OBLIGATIONS

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose to the market any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.17 ELECTRONIC PROSPECTUS

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

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10.18 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 78 Hasler Road, Osborne Park WA 6017:

(a) this Prospectus;

(b) the Constitution; and

(c) the consents referred to in Section 10.9 of this Prospectus.

10.19 STATEMENT OF DIRECTORS

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 6 there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

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11.
AUTHORISATION

11. AUTHORISATION

This Prospectus is authorised by the Company and SaleCo, and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each Director and each director of SaleCo has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

Brett Grosvenor

Dated: 19 June 2018

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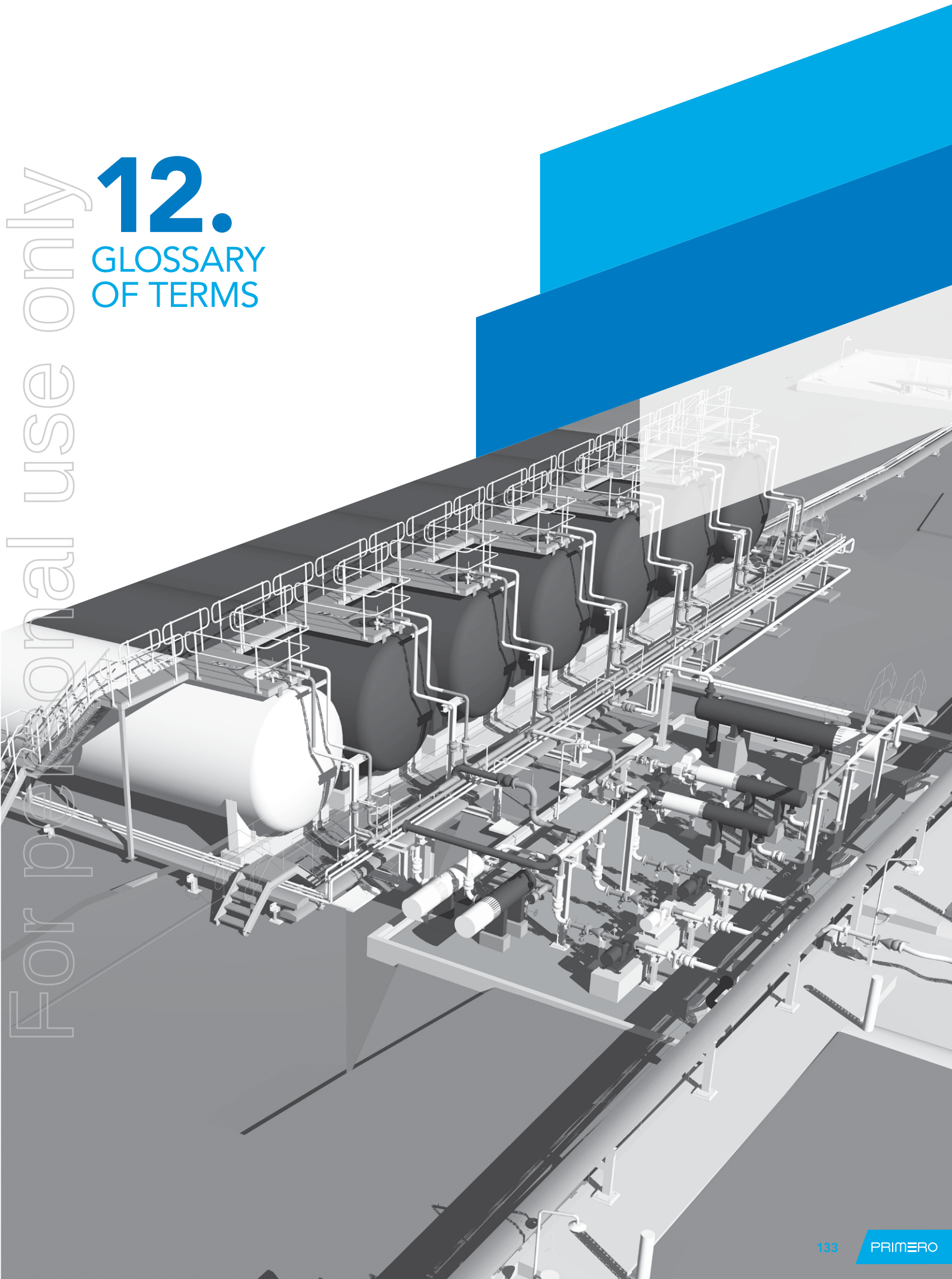
12.
GLOSSARY OF TERMS



12. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A$	Australian dollars.
Admission	Admission of the Company to the Official List, following Completion.
Applicant	A person who submits an Application Form.
Application	A valid application for Shares under the Offer made pursuant to an Application Form.
Application Form(s)	The application form attached to this Prospectus (including the electronic form provided by an online application facility).
Application Monies	Monies received from persons applying for Shares pursuant to the Offer under this Prospectus.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
Board	The board of Directors of the Company.
Broker	Any ASX participating organisation selected by the Lead Manager and the Company to act as a broker for the Offer.
Broker Firm Offer	The offer of Shares under this Prospectus to Australian resident retail clients of Brokers who have received a firm allocation from their Broker provided that such clients are not in the United States as detailed in Section 4.18.
CHESS	Clearing House Electronic Subregister System.
Closing Date	The date the Offer closes.
Company or Primero	Primero Group Limited ACN 149 964 045.
Completion	Completion of the Offer, being the date on which Shares are issued or transferred to successful Applicants in accordance with the terms of the Offer.
Constitution	The constitution of the Company from time to time.
Corporations Act	*Corporations Act 2001* (Cth).
Directors	The directors of the Company.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, taxation, depreciation and amortisation.

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Electronic Prospectus	The electronic copy of this Prospectus located at the Company's website at http://www.primero.com.au/.
Eligible Employee	Persons who are resident in Australia and are permanent full time employees of the Group as at the date of this Prospectus or those determined by the Board to be eligible to participate in the Employee Offer.
Eligible US Fund Manager	A dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States acting for an account (other than an estate or trust) held for the benefit or account of persons that are not U.S. persons for which it has and is exercising investment discretion, within the meaning of Rule 902(l)(2)(i) of Regulation S.
Employee Incentive Plan	The employee incentive plan adopted by the Company and summarised in Section 10.5.
Employee Incentives	A Plan Share, Plan Option or Plan Performance Right.
Employee Offer	The offer of up to A$1,120,000 worth of Shares to Eligible Employees under this Prospectus.
EPC	Engineering, procurement and construction.
EPCM	Engineering, procurement and construction management.
Escrow Period	The periods for which Shares are subject to voluntary escrow arrangements as detailed in Section 4.7.
Escrowed Shares	The number of Shares which are the subject of the voluntary escrow arrangements as detailed in Section 4.7.
Existing Shareholders	The Shareholders as at the date of this Prospectus.
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
Financial Information	Has the meaning given in Section 6.1.
Forecast Financial Information	Has the meaning given in Section 6.1.
Forecast Statement of Cash Flows	Has the meaning given in Section 6.1.
Forecast Statement of Profit or Loss	Has the meaning given in Section 6.1.
FY16	Financial year ended 31 June 2016.

12. GLOSSARY OF TERMS Continued

FY17	Financial year ended 31 June 2017.
FY18	Financial year ended 31 June 2018.
FY19	Financial year ended 31 June 2019.
Group	The Company and Primero Group Americas Inc.
GST	Goods and Services Tax.
Historical Financial Information	Has the meaning given in Section 6.1.
Historical Statement of Cash Flows	Has the meaning given in Section 6.1.
Historical Statement of Financial Position	Has the meaning given in Section 6.1.
Historical Statement of Profit or Loss	Has the meaning given in Section 6.1.
HY18	Half year ended 31 December 2017.
HY19	Half year ended 31 December 2018.
Institutional Investors	Investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; or (b) institutional investors in certain other jurisdictions, as agreed by the Company and the Lead Manager, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which the Company is willing in its discretion to comply), in either case provided that if such investors are in the United States, they are an Eligible US Fund Manager.
Institutional Offer	The invitation to Institutional Investors under this Prospectus to acquire Shares as detailed in Section 4.15.
Investigating Accountant	Moore Stephens Perth Corporate Services Pty Ltd.
Investigating Accountant's Report	The report contained in Section 7.
Lead Manager	Canaccord Genuity (Australia) Limited (ACN 075 071 466).
Lead Manager Offer	The offer of Shares and Lead Manager Options to the Lead Manager under this Prospectus.

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Lead Manager Option	An Option offered pursuant to this Prospectus with the terms and conditions detailed in Section 10.14.
Listing Rules	The listing rules of ASX.
Mtpa	Million tons per annum.
New Share	A Share offered for subscription by the Company pursuant to this Prospectus.
NPAT	Net profit/(loss) after tax.
NPI	Non-Process Infrastructure.
Offer	The offer under this Prospectus of 50,000,000 Shares to be issued by the Company and of 12,500,000 Shares to be sold by SaleCo, each at a price of A$0.40.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Price	A$0.40 per Share.
Official List	The official list of ASX.
Official Quotation or Quotation	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	The date the Offer opens.
Option	An option to subscribe for a Share.
Plan Option	An Option issued pursuant to the Employee Incentive Plan.
Plan Performance Right	A performance right on the terms and conditions summarised in Section 10.5(d).
Plan Share	A Share issued pursuant to the Employee Incentive Plan.
Pro Forma Statement of Financial Position	Has the meaning given in Section 6.1.
Prospectus	This prospectus dated 19 June 2018.
Regulation S	Regulation S under the US Securities Act.
Relevant Interest	Has the meaning given in the Corporations Act.
Retail Offer	The Broker Firm Offer and Employee Offer.

12. GLOSSARY OF TERMS Continued

Sale Share	Means a Share offered for sale by the Selling Shareholders via SaleCo pursuant to this Prospectus.
SaleCo	Primero Group SaleCo Limited (ACN 625 281 496).
Section	A section of this Prospectus.
Security	A Share or Option, as the context requires.
Selling Shareholder	The Existing Shareholders who have elected to sell Shares to SaleCo.
Share	A fully paid ordinary shares in the capital of the Company.
Share Registry	Automic Pty Ltd ACN 152 260 814.
Shareholder	Any person holding Shares.
Underwriter	Canaccord Genuity (Australia) Limited (ACN 075 071 466).
Underwriting Agreement	The underwriting agreement between the Company, SaleCo and the Lead Manager dated on or about the date of this Prospectus.
US Securities Act	The U.S. Securities Act of 1933.

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PRIMERO GROUP LTD

ACN 149 964 045

Applicants who received this Application Form from their broker must return their Application Form and Application Monies back to their broker

Broker Code

Adviser Code

Application Form

Application Options:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online at: https://automic.com.au/primerogroup.html

- ✓ **Pay electronically:** Applying online allows you to pay electronically, for Australian residents through BPAY®. Overseas Applicants in permitted jurisdictions can also pay electronically through an electronic funds transfer.
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your Application has been successfully processed.

To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the URL above into your browser.

Option B: Standard Application and Pay by Cheque

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on the reverse.

1. Number of Shares applied for , ,

Application payment (multiply box 1 by $0.40 per Share) A$, , .

Applications must be for a minimum of 5,000 Shares (A$2,000), and thereafter in multiples of 1,250 Shares (A$500)

2. Applicant name(s) and postal address: refer to naming standards for correct form of registrable title(s) overleaf

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

Postal address

Unit / Street Number / Street name or PO Box

Suburb/Town

State

Postcode

Country and ZIP Code (if outside Australia)

3. Contact details

Telephone Number ( )

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X

Note: if the name and address details in sections 2 do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box

C = Company; P = Partnership; T = Trust; S = Super Fund

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AUTOMIC

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a Securityholder (including your name, address and details of the Securities you hold) to be included in the public register of the entity in which you hold Securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Health Club A/C>	Food Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

YOU SHOULD READ THE REPLACEMENT PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for Shares in Primero Group Ltd (ACN 149 964 045) ('Company'), made under the terms set out in the Replacement Prospectus dated 19 June 2018. The expiry date of the Replacement Prospectus is the date which is 13 months after the date of the Replacement Prospectus.

The Replacement Prospectus contains important information relevant to your decision to invest and you should read the entire Replacement Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Replacement Prospectus and any supplementary prospectus (if applicable). While the Replacement Prospectus is current, the Company will send paper copies of the Replacement Prospectus, and any supplementary prospectus (if applicable) and an Application Form, on request and without charge.

1. **Shares applied for & payment amount** - Enter the number of Shares you wish to apply for. Your Application must be for a minimum of 5,000 Shares (A$2,000). Applications for greater than 5,000 Shares must be in multiples of 1,250 Shares (A$500). Next, enter the amount of the Application Monies payable. To calculate this amount, multiply the number of Shares applied for by the offer price, which is A$0.40 per Share.
2. **Applicant name(s) and postal address** - Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
3. **Contact Details** - Please provide your contact details for us to contact you between 9:00am AEST and 5:00pm AEST should we need to speak to you about your Application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at https://investor.automic.com.au/#/home
4. **CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Securities allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
5. **TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
6. **Payment** - Payments for Applications made through this Application Form can only be made by cheque. Payment can be made by both BPAY and EFT but only by making an online Application, which can be accessed by following the web address provided on the front of the Application Form. **Do not forward cash with this Application Form as it will not be accepted.**

   Your cheque must be made payable to "Primero Group Ltd" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your Application may be rejected if your cheque is dishonoured.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, YOU DECLARE THAT:

- you have received a paper or electronic copy of the Replacement Prospectus that accompanies this Application From and have read the Replacement Prospectus in full and agree to be bound by the terms and conditions of the offer as declared in the Replacement Prospectus;
- all details and statements made on the form are complete and accurate;
- where information has been provided about another individual, that individual's consent has been obtained to transfer the information to the Company;
- the Company and their respective officers and agents are authorised to do anything on your behalf (including the completion and execution of documents) to enable the Shares to be allocated to you;
- you agree to be bound by the constitution of the Company;
- neither the Company not any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Offer opens at 9.00am (WST) on 20 June 2018 and is expected to close at 5.00pm (WST) on 27 June 2018. The Company may elect to extend the Offer or close it (after the Offer is open) at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and cheques must be:

POSTED TO:	DELIVERED TO (during business hours only - 9am to 5pm (AEST):
Primero Group Ltd C/- Automic PO Box 2226 STRAWBERRY HILLS NSW 2012	Primero Group Ltd C/- Automic Level 29, 201 Elizabeth Street SYDNEY NSW 2000

Your Application Form must be received by Automic no later than 5.00pm (WST) 27 June 2018

If you have any enquiries in respect of this Application, please contact Automic by either phone on **1300 288 664** or at corporate.actions@automic.com.au.

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PRIMERO GROUP LTD

ACN 149 964 045

Applicants who received this Application Form from their broker must return their Application Form and Application Monies back to their broker

Broker Code

Adviser Code

Application Form

Application Options:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online at: https://automic.com.au/primerogroup.html

- ✓ **Pay electronically:** Applying online allows you to pay electronically, for Australian residents through BPAY®. Overseas Applicants in permitted jurisdictions can also pay electronically through an electronic funds transfer.
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your Application has been successfully processed.

To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the URL above into your browser.

Option B: Standard Application and Pay by Cheque

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on the reverse.

1. Number of Shares applied for , ,

Application payment (multiply box 1 by $0.40 per Share) A$, , .

Applications must be for a minimum of 5,000 Shares (A$2,000), and thereafter in multiples of 1,250 Shares (A$500)

2. Applicant name(s) and postal address: refer to naming standards for correct form of registrable title(s) overleaf

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

Postal address

Unit / Street Number / Street name or PO Box

Suburb/Town

State

Postcode

Country and ZIP Code (if outside Australia)

3. Contact details

Telephone Number ( )

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X

Note: if the name and address details in sections 2 do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box

C = Company; P = Partnership; T = Trust; S = Super Fund

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AUTOMIC

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a Securityholder (including your name, address and details of the Securities you hold) to be included in the public register of the entity in which you hold Securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Health Club A/C>	Food Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

YOU SHOULD READ THE REPLACEMENT PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

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CORPORATE DIRECTORY

DIRECTORS

Cameron Henry – Managing Director
Mark Connelly – Non-Executive Chairman
Dean Ercegovic – Executive Director
Brett Grosvenor – Executive Director
Luke Graham – Non-Executive Director

COMPANY SECRETARY

Ryan McFarlane

REGISTERED OFFICE

78 Hasler Road
Osborne Park WA 6017

SHARE REGISTRY*

Automic Pty Ltd

Level 3, 50 Holt Street
Surry Hills NSW 2010

PROPOSED STOCK EXCHANGE LISTING

Australian Securities Exchange (ASX)

Proposed ASX Code: PGX

LEGAL ADVISER

DLA Piper Australia

Level 31, Central Park
152-158 St Georges Terrace
Perth WA 6000 Australia

AUDITOR*

Moore Stephens

Level 15, Exchange Tower
2 The Esplanade
Perth WA 6000

INVESTIGATING ACCOUNTANT

Moore Stephens Perth Corporate Services Pty Ltd

Level 15, Exchange Tower
2 The Esplanade
Perth WA 6000

LEAD MANAGER/UNDERWRITER

Canaccord Genuity (Australia) Limited

Level 4
60 Collins Street
Melbourne VIC 3000

PRIMERO INFORMATION LINE

From within Australia: 1300 420 177
From outside Australia: +61 02 8022 8575

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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