

SHARE PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Bay Filly, foaled 2015**,
by **SMART MISSILE from READY TO LIVE (USA) inclusive to 30 JUNE 2017**

The costs of establishing the Syndicate are set out in the following table (these costs are one-off costs):

	Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter – fall of the hammer	\$40,000	\$2,000
B. Promoter’s profit margin on this promotion	\$5,000	\$250
C. Other acquisition costs	\$19,528	\$976
D. Syndicate establishment costs	\$18,565	\$928
E. Actual and budgeted Horse husbandry costs to 30 JUNE 2017	\$14,580	\$729
Sub-total	\$97,673	\$4,883
F. GST	\$9,767	\$489
G. Racing NSW Registration Fees (GST exempt)	\$560	\$28
Total	\$108,000	\$5,400
Share Application Price – 1/20th [or 5%] Share		\$5,400

Further breakdown of Items A, B, C and D:

		Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter		\$40,000	\$2,000
B. Promoter’s margin 12.5%		\$5,000	\$250
C. Other acquisition costs			
o Race series eligibility payments (7)			
▪ Entry to Magic Millions Race series (one-off)	\$4,500		
▪ BOBS 2-3yo Series (one-off)	\$900		
▪ BOBS Extra 4yo + Series (one-off)	\$764		
▪ Blue Diamond & Blue Sapphire 1 st nom (2 races)	\$300		
▪ Golden Slipper & Golden Rose 1 st nom (2 races)	\$341	\$6,805	\$340
o Insurance Premiums (4 Policies)			
▪ Mortality from fall of hammer 12th January 2017 to 31st October 2017 for total syndication value			
▪ Colic & Emergency Surgery			
▪ Disability impairment guarantee to date of issuing and allotment of Shares			
▪ Professional Indemnity cover		\$6,972	\$348
o Acquisition costs			
▪ Veterinary work at sale complex by Dr Tim Roberts, including 160 physical inspections, 115 X-rays and endoscopic evaluation apportioned across all yearlings purchased for syndication	\$1,895		
▪ Endoscopic evaluation post sale payable to Magic Millions	\$150		
▪ Blood testing post sale for Anabolic Androgenic Steroids	\$500		

<ul style="list-style-type: none"> ▪ Sales expenses incurred in attending sale apportioned across all yearlings purchased for syndication 	\$1,778		
<ul style="list-style-type: none"> ▪ Consultancy Fee to Independent Bloodstock Agent for assistance with individual inspections of 383 yearlings to determine final 160 lots to submit for veterinary inspection pro-rata across number of yearlings purchased for syndication 	\$445		
<ul style="list-style-type: none"> ▪ Miscellaneous costs, including professional photographers, pedigree ratings software fee, apportioned across all yearlings purchased for syndication 	\$983	\$5,751	\$288
D. Syndicate establishment costs			
o Establishment and promotion			
<ul style="list-style-type: none"> ▪ Proportion of postage, printing, handling & stationary \$128, communications by telephone, facsimile, email, SMS \$325, marketing & promotion, banking, merchant service/eftpos fees, \$825, IT service provider \$857, advertising across TV, radio & websites, including, Sky Sports Radio, Bloodstock.com, Racenet etc. \$9,500, Veterinary report for PDS, \$195, ASIC Form 88 PDS in-use notice \$35 	\$11,865	\$11,865	\$593
o Accounting and legal			
<ul style="list-style-type: none"> ▪ Proportion of auditor's fee (\$3,500), chartered accountants fee (1,200), legal fees (\$2,000) 	\$6,700	\$6,700	\$335
E. Actual and budgeted Horse husbandry costs to: 30 JUNE 2017			
o From 12th January to 30 JUNE 2017			
<ul style="list-style-type: none"> ▪ Transport 12/1/17 from sale complex to Oakridge Spelling Farm 	\$680		
<ul style="list-style-type: none"> ▪ Agistment from date of arrival at Oakridge to 28 February 	\$1,836		
<ul style="list-style-type: none"> ▪ Transport from Oakridge to educators to commence breaking-in process 	\$180		
<ul style="list-style-type: none"> ▪ Education process at educator's stables 	\$3,575		
<ul style="list-style-type: none"> ▪ Transport to our Pre-Trainer to finish education in stables complex 	\$210		
<ul style="list-style-type: none"> ▪ 15 days orientation at Pre-Trainers Stables 	\$1,155		
<ul style="list-style-type: none"> ▪ Miscellaneous additional costs at including Track Fees, Farrier feet trim and shoes, Dentist, parasite drench 	\$515		
<ul style="list-style-type: none"> ▪ Transport 14 April from educators back to Oakridge Spelling Farm 	\$150		

▪ Agistment at Oakridge Spelling Farm (17 days)	\$612		
▪ Agistment from 1 May to 31 May + Feet Trim and Drench	\$1,442		
▪ Transport 1 June Educators – Second Session	\$180		
▪ Educators 14 day re-fresher course	\$1,160		
▪ Transport to Pre-Trainers	\$150		
▪ 16 Days in Pre-Trainers	\$1,862		
▪ Transport to Spelling Farm after Pre-training	\$180		
▪ Miscellaneous additional costs at Oakridge including, farrier feet trim, shoes, dentist, parasite drenches, etc.	\$693	\$14,580	\$729
Total		\$97,673	\$4,883