

GRP Corporation Limited

(to be renamed "Spring Networks Limited")

Level 1, 981 Wellington Street
West Perth WA 6005
ABN 57 096 781 716
PH: 08 9299 2289
FX: 08 9299 2239

ASX / MEDIA RELEASE
31 July 2014

GRP CORPORATION JUNE 2014 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **GRP Corporation sign agreement to acquire Helpa Inc and the SpringMe Social Media Network business**
- **DJ Carmichael Pty Limited appointed as Lead Manager and Corporate Advisor**
- **Convertible Note issue to raise up to \$1.5 million**
- **Due Diligence investigations to be completed by 31 July**
- **Prospectus preparation underway**

The Board of GRP Corporation Limited (ASX: **GRP**) ('GRP Corporation' or 'the Company') is pleased to report on its activities and operations for the quarter ended 30 June 2014.

GRP Corporation signs agreement to acquire Helpa Inc and the SpringMe Social Media Network business

During the quarter the Board of GRP Corporation Limited signed a binding Agreement with Helpa Inc ('Helpa') agreeing to acquire 100% of the issued shares in Helpa ("Agreement") by offers to its shareholders, and acquiring the established global social media business Spring.me.

Spring.me is a question and answer based social network that helps members meet new people, express themselves and expand their lives. On the Spring.me network, members from around the world post, comment, question, respond, like, smile, share, flirt, meet, date with friends, followers or other Spring.me members via multiple media feeds they can browse through on the web, mobile or tablet.

Helpa Inc is a USA company, with team members operating from Sydney and focused on the development of the Spring.me social media network. The Helpa Inc team have a track record of success in the development, growth and monetisation of technology related businesses.

GRP Corporation, on the receipt of all relevant approvals, will acquire all of the issued capital of Helpa in consideration for the issue to the vendors of (following a 5:1 consolidation in GRP Corporation):

- 60,000,000 ordinary fully paid shares of GRP Corporation;
- 20,000,000 performance stock rights to receive fully paid ordinary shares in GRP at a deemed issue price of \$0.20 each subject to Spring.me's native mobile applications for Android and iOS being available for download in the Google Play and Apple Appstore (respectively) which must occur by June 30, 2015; and,
- 20,000,000 performance stock rights to receive fully paid ordinary shares in GRP at a deemed issue price of \$0.20 each subject to Spring.me's achieving at least 5,000,000 visitors or more in a calendar month for at least three months to the Spring.me network.

The acquisition of Helpa is subject to the following conditions precedent (to be satisfied or waived by 1 November 2014):

- satisfactory completion of bilateral due diligence;
- the Shareholders of GRP Corporation approving:
 - the acquisition of Helpa;
 - consolidation of the issued capital of GRP on a 5:1 basis post debt to equity conversion;
 - there being no security interest over GRP or any of its assets;
 - there being a maximum of \$125,000 of creditors or any sort owing by GRP;
 - those Shareholders who hold at least 90% of the outstanding Helpa shares accepting the Offer within 14 days of the date of this Agreement;
 - approval for the change of name of GRP to "Spring Networks Limited";
 - GRP seeking shareholder approval for establishing a non-executive director and employee incentive scheme up to 15% of the fully diluted share capital in GRP, post Settlement; and
 - all other required regulatory approvals required under the Corporations Act and the Listing Rules,
- GRP completing a capital raising following the signing of the Heads of Agreement with professional, sophisticated to raise up to \$1.5 million through the issue of shares;
- GRP preparing a prospectus to raise not less than A\$3 million;
- ASX providing conditional approval for re-admission to the official list of ASX;

The Company intends to convene a shareholders' meeting in the near future to seek the necessary approvals. Additional terms of the transaction are as follows:

- GRP shall provide \$1,100,000 Loan to Helpa. The initial \$150,000 will be advanced within 10 business days of the Heads of Agreement, \$475,000 of this loan will be advanced within 30 business days of the date of this Heads of Agreement and the final \$475,000 of this loan will be advanced within 50 business days of the date of this Heads of Agreement;
- GRP shall appoint two Helpa nominees to the board of GRP and all but two directors of GRP must resign.

DJ Carmichael Pty Limited appointed as Lead Manager and Corporate Advisor

DJ Carmichael Pty Limited ('DJ Carmichael') were appointed as Lead Manager and Corporate Advisor to the transaction and capital raising. DJ Carmichael is a full service stockbroker with collaborative Corporate Finance, Research and Institutional teams working cohesively to provide high quality capital raising and corporate advisory services in the information technology sector.

GRP believe that DJ Carmichael brings a mix of experience in the Australian capital markets, small and mid-cap technology sector, equity offers and the ability to manage the capital market transaction.

Convertible Note issue to raise up to \$1.5 million

DJ Carmichael acted as Lead Manager for the Company's capital raising through the issue of convertible notes and was on track at the end of the quarter to complete the issue in July.

The Board was very please with the support for the capital raising which will allow the Company to fund its obligations under the Heads of Agreement with Helpa Inc. and provide working capital. The material terms of the convertible note are as follows:

- Each note has a face value of \$0.16;
- The notes are an unsecured obligation on the Company;
- No interest is payable on the notes;
- Each note will convert into one ordinary share in the Company within five business days of the Company obtaining shareholder approval in a general meeting to:
 - Convert the notes into shares in accordance with the ASX Listing Rules and all other requirements; and,
 - undertake a consolidation of its existing Shares and options on a five (5) for one (1) basis
- Shares issued on conversion of Notes will rank equally in all respects, and form one class with the Shares on Issue at the Conversion Date;
- The Notes are transferable; and,
- The Company covenants to see Shareholder Approval as soon as practical after the issue.

Due Diligence investigations to be completed by 31 July

The Company spent much of the quarter completing detailed due diligence investigations on Helpa Inc, and similarly Helpa Inc has been conducting due diligence on GRP Corporation as part of the conditions precedent under the acquisition agreement.

GRP Corporation is pleased to advise that it has notified Helpa Inc that it is satisfied with its due diligence investigation into the Company. GRP has also received confirmation from Helpa Inc that they are satisfied with their due diligence investigations into the Company subject to the completion of outstanding conditions precedent and the provision of the final agreed loan amounts.

Further to the due diligence process, the Company wishes to advise that it will shortly issue the Notice of Meeting to seek shareholder approval for the acquisition of Helpa Inc. The company has commenced drafting of the prospectus and intends for this to be ready for lodgement upon the successful completion of the shareholder meeting and receipt of shareholder approvals.

END

FURTHER INFORMATION

Shareholders / Investors

Mark Rowbottam

Non-Executive Chairman

GRP Corporation Limited

E: mark@allegracorp.com

T: 0411 886 084