

ASX Release

20 January 2016

**Southern Crown
Resources Limited**

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Directors / Officers:

Rhod Grivas
Adrian Hill
Shannon Robinson

Issued Shares and Options:

Shares: 64.5 million

Unlisted options: 3 million

ASX Code: SWR

Yojee Acquisition – Due Diligence and Formal Agreements Complete

- **SWR exercises option to acquire logistics sharing-economy technology company, Yojee**
- **Due diligence completed and binding sale agreement executed**
- **SWR has appointed 708 Capital and Cicero Advisory Services as joint lead managers to the equity raising**
- **Board Changes – Mark Papendieck has resigned and Shannon Robinson appointed as a non-executive director following execution of definitive agreements**

Southern Crown Resources Limited (ASX: SWR) (“SWR” or the “Company”) is pleased to announce that following the completion of initial due diligence investigations, the Company has executed the formal share sale agreement with Yojee Pty Ltd (“Yojee”) and the major shareholders of Yojee to conditionally acquire 100% of Asia Pacific focused logistics sharing-economy technology company, Yojee (“Transaction”).

Background on Yojee

As set out in the Company’s announcement dated 23 December 2015, Yojee is a company focused on developing a logistics sharing-economy technology with the intention to change the logistics industry with the creation of the Yojee delivery network and cloud based software platform, focussing initially on the Asia Pacific region. Yojee was founded on the basis that:

- opportunities in e-commerce are growing at a rapid rate; and
- the global population is embracing the sharing-economy.

Yojee is focused on developing a technology software platform that builds a solution to redefine the ageing and segmented logistics industry that has struggled to keep up with the e-commerce shift via the power of the sharing-economy.

Details of Yojee, an outline of its business plan, and a brief summary of the market in which it seeks to operate were set out in the Company’s 23 December 2015 announcement.

Joint Lead Manager

SWR has signed a mandate with 708 Capital and Cicero Advisory Services who will act as joint Lead Managers to the equity raising. 708 Capital and Cicero are financial service businesses with significant equity raising experience in the technology industry. The Company, with the assistance of 708 Capital and Cicero will be seeking to raise a minimum of \$2.5 million via a prospectus offering to be lodged with the Australian Securities and Investments Commission between now and early March 2016.

Board Changes

As part of the transaction, Mark Papendieck has resigned as a non-executive director and Shannon Robinson has been appointed as a non-executive director. The Company would like to thank Mark for his service over the last 5 years and wish him well with his other business ventures. Yojee has nominated Shannon to be appointed to the board. She brings a wealth of corporate experience. Shannon is a former corporate lawyer and corporate advisor having gained extensive experience as a solicitor at boutique corporate law firms and corporate advisory firms, is an associate of the Australian Institute of Company Directors, an associate of the Governance Institute of Australia and also admitted to practise in the Supreme Court of Western Australia and the High Court.

Transaction Summary

Further to the announcement made on 23 December 2015, the key terms of the Transaction are summarised below:

- The Company has exercised its option to acquire 100% of Yojee following execution of a definitive agreement. The Company will pay a \$250,000 non-refundable option fee.
- As consideration for the acquisition of 100% of Yojee, subject to shareholder approval, the Company will issue the following securities to the shareholders of Yojee ("Consideration Securities"):
 - o 150 million shares ("Consideration Shares");
 - o 100 million unlisted options (exercisable at \$0.02; expiring in 5 years from issue) ("Consideration Options")
 - o 200 million performance shares based on achievement of the following milestones (subject to approval by ASX) ("Performance Shares"):
 - 50 million Class A Performance Shares – upon the Company achieving \$3 million consolidated revenue within 36 months of completion of the Transaction or upon the Company launching the Yojee operational platform on two of the Andriod, IOS or Desktop devices and the 20 day volume weighted average price ("vwap") of the Shares trading at \$0.20 or higher;
 - 50 million Class B Performance Shares – upon the Company achieving \$5 million consolidated revenue within 48 months of completion of the Transaction or upon the Company launching the Yojee operational platform on two of the Andriod, IOS or Desktop devices and the 20 day vwap of the Shares trading at \$0.20 or higher;
 - 50 million Class C Performance Shares – upon the Company achieving \$7 million consolidated revenue within 54 months of completion of the Transaction or upon the Company launching the Yojee operational platform on two of the Andriod, IOS or Desktop devices and the 20 day vwap of the Shares trading at \$0.20 or higher;
 - 50 million Class D Performance Shares – upon the Company achieving \$10 million consolidated revenue within 60 months of completion of the Transaction or upon the Company launching the Yojee operational platform on on two of the Andriod, IOS or Desktop devices and the 20 day vwap of the Shares trading at \$0.20 or higher.

- Completion of the Transaction remains subject to the satisfaction (or waiver where appropriate) of the following conditions precedent:
 - All remaining Yojee shareholders (“Seed Shareholders”) accepting a separate offer by the Company to acquire their respective Yojee shares. As at the date of this announcement, the Company has received acceptances from the majority of the Seed Shareholders;
 - the Company being satisfied that Yojee has all legal rights (whether by way of the sale or a perpetual licence) to the perpetual use and/or ownership of the source code;
 - if the Company considers that it will be required by ASIC, Yojee preparing audited accounts for Yojee for the shorter period of three years and the date of incorporation of Yojee and delivering those accounts to the Company;
 - the Company preparing a prospectus and lodging a prospectus with the ASIC to complete a capital raising of a minimum of \$2,500,000 under the prospectus through the issue of Shares at a price of not less than \$0.02 each (“Capital Raising”) and to re-comply with Chapters 1 and 2 of the ASX Listing Rules and receiving valid acceptances under the prospectus to the value of not less than \$2,500,000;
 - the Company obtaining at its own cost all necessary shareholder approvals required by the Corporations Act (and any other applicable law or regulations) and the ASX Listing Rules in relation to the Acquisition, including, without limitation:
 - ASX Listing Rules approval and, if required, approval for the purpose of the Corporations Act, for the issue of the Consideration Securities;
 - ASX Listing Rules approval and, if required, approval for the purpose of the Corporations Act, for the issue of shares pursuant to the Capital Raising;
 - ASX Listing Rule 11.1.2 approval authorising a change of activities of the Company;
 - election of two directors of the Company nominated by Yojee (subject to completion of the Acquisition);
 - approval for the change of the Company's name to ‘Yojee Limited’ (or such other name as agreed by the parties); and
 - approval for the issue of up to 22,000,000 unlisted options to certain executives of Yojee (“Executive Securities”);
 - Yojee obtaining at its own cost all necessary shareholder approvals required by the Corporations Act (and any other applicable law or regulations) in relation to the Transaction;
 - each party obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law, on terms acceptable to the parties, as are required to allow the parties to lawfully complete the Transaction;
 - the Company receiving a letter from ASX confirming that ASX will grant conditional re-quotations of the Company's shares on the official list of ASX, on terms acceptable to the Company (acting reasonably) and the Major Shareholders (acting reasonably);
 - each party obtaining all necessary third party consents to the Transaction (including for a change of control under contracts, as applicable);
 - there being no material adverse change in the circumstances of Yojee prior to completion of the Transaction;
 - there being no material adverse change in the circumstances of the Company prior to completion of the Transaction;
 - none of the warranties given by the Major Shareholders in favour of the Company becoming untrue, incorrect or misleading prior to completion; and

- to the extent required by the ASX, the Company or the ASX Listing Rules, each Yojee shareholder entering into a restriction agreement as required by ASX imposing such restrictions on trading of those securities as mandated by the ASX Listing Rules in respect of the Consideration Securities that are issued to those parties by the Company.

A notice of meeting containing all necessary information is expected to be dispatched in early February 2016. The notice of meeting will contain substantial information in relation to the transaction and its effect on the Company for the purpose of shareholders considering the resolutions that will enable the transaction to be put into effect.

Indicative Capital Structure

The following table sets out the indicative capital structure of the Company following completion of the Transaction.

	Shares
Existing securities ¹	64,501,482
Consideration Securities ²	150,000,000
Executive Securities ³	Nil
Capital Raising	125,000,000 ⁴
Total	339,501,482

1. In addition, there are 3,000,000 unlisted options on issue comprising:
 - a. 500,000 unquoted exercisable at \$0.25 on or before 2 June 2016;
 - b. 500,000 unquoted exercisable at \$0.35 on or before 2 June 2016; and
 - c. 2,000,000 Unquoted exercisable at \$0.12 on or before 31 March 2017.
2. A further 100,000,000 unlisted options are to be issued as consideration securities, which are exercisable at \$0.02 each on or before the date that is 5 years from the date of issue, together with 200 million Performance Shares, convertible to ordinary shares on the milestones set out above, as part of consideration of the Transaction.
3. Also up to 22,000,000 unlisted options are to be issued to certain executives of Yojee, subject to shareholder approval, comprising:
 - a. 5,000,000 unquoted options vesting on the 20 day vwap of the Company's shares being equal to or in excess of \$0.07 per share (exercisable at \$0.07 on or before the fifth anniversary of the date on which they were issued);
 - b. 5,000,000 unquoted options vesting on the 20 day vwap of the Company's shares being equal to or in excess of \$0.10 per share (exercisable at \$0.07 on or before the fifth anniversary of the date on which they were issued);
 - c. 5,000,000 unquoted options vesting on the 20 day vwap of the Company's shares being equal to or in excess of \$0.15 per share (exercisable at \$0.07 on or before the fifth anniversary of the date on which they were issued; and
 - d. 7,000,000 unquoted options vesting on the 20 day vwap of the Company's shares being equal to or in excess of \$0.20 per share (exercisable at \$0.07 on or before the fifth anniversary of the date on which they were issued).
4. Assumes that the Company raises the minimum subscription under the Capital Raising, being \$2,500,000.

Indicative Timetable

The following table sets out an indicative timetable for the Transaction. This timetable is subject to change without prior notice.

Event	Week commencing
Execution of Formal Agreements	18 January 2016
Notice of Meeting dispatched to shareholders of the Company	8 February 2016

Lodge Prospectus with ASIC and ASX	22 February 2016
Offer opens	22 February 2016
Extraordinary General Meeting of the Company to approve the Transaction	7 March 2016
Close of offer under Prospectus	14 March 2016
Satisfaction of ASX re-compliance conditions and readmission to the Official List of ASX	28 March 2016

For further information please contact:

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About Yojee:

Yojee is a Technology Platform that utilises the sharing economy to create deeper reaching and more cost and energy efficient logistics network across the Asia Pacific Region. Yojee invites you to join our shared economy by registering your interest at investor@yojee.com.au

About Southern Crown Resources Limited

Southern Crown Resources Limited has a gold exploration project located in far north Queensland. The Board of Directors has a strong mix of technical, financial and corporate skills and is evaluating both resources and technology opportunities in Australia and overseas that could complement the existing portfolio and have the potential to add shareholder value.

Forward Looking Statement Assumptions

Some of the statements appearing in this announcement are in the nature of forward looking statements. You should be aware that such statements are only predictions and are based on assumptions of the Board of the Company concerning, among other things, the Transaction and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company and Yojee intends to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of the Company or its officers or any person involved in the preparation of this announcement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect the Company's Board's views held only as at the date of this announcement.